



Agenda

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**SPECIAL FINANCE COMMITTEE MEETING
FY 2015/2016 OPERATING BUDGET REVIEW
CITY COUNCIL CHAMBERS
MAY 14, 2015 – 3:00 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 2015/2016 OPERATING BUDGET

Department Review:

- Enterprise and Special Revenue Funds (Continued)
 - Support Services
 - General Government
 - Wrap-Up
6. Request for Approval of Operating Budget and Organizational Chart for Fiscal Year 2015/2016. (Brian Snyder)
 7. Public Hearing
 8. ADJOURN

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**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Thursday, May 14, 2015**

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**MINUTES OF THE MEETING
CITY OF SANTA FE
SPECIAL FINANCE COMMITTEE
Thursday, May 14, 2015**

1. CALL TO ORDER

A Special Meeting of the City of Santa Fe Finance Committee, was reconvened by Chair Carmichael A. Dominguez, at approximately 3:00 p.m., on Thursday, May 14, 2015, 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

Other Governing Body Members in attendance

Mayor Javier Gonzales
Councilor Patti J. Bushee
Councilor Peter Ives

OTHERS ATTENDING:

Brian K. Snyder, City Manager
Oscar S. Rodriguez, 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 we will stay with the general agenda as written, although there have been some requests, noting he wants to hear Parking as quickly as possible, and Councilor Ives has requested to hear ITT near the end of the meeting so he can be present for some of that discussion. He said then we will wrap-up and answer some questions that may be lingering, and hopefully we can get to an approval or recommendation on the budget.

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

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

4. QUESTIONS AND CLARIFICATION

Councilor Maestas asked about integrating policy changes in conjunction with the budget development/approval process, noting he is uncomfortable in doing this. He said he is willing to approve a budget based on a proposed policy, but will only go along with this process if there is subsequent formal action to ratify the policies formally after budget approval.

Chair said he will be including this under Wrap-Up.

5. CONTINUATION OF REVIEW OF FISCAL YEAR 2015/2016 OPERATING BUDGET

A. DEPARTMENT REVIEWS

A copy of *City of Santa Fe Annual Operating Budget – Fiscal Year 2015-2016 City Manager's Recommended Plan*, is incorporated herewith to these minutes by reference as Exhibit "1." Copies are on file in the Finance Director's Office.

A copy of *Summary of Parking Funds*, entered for the record by Jon Bulthuis, is incorporated herewith to these minutes as Exhibit "2."

A copy of *Parking Division Revenues and Expenses*, entered for the record by Jon Bulthuis, is incorporated herewith to these minutes as Exhibit "3."

A copy of *City of Santa Fe FY 2015-16 Operating Budget Plan – Information Technology & Telecommunications (ITT) Department*, entered for the record by staff is incorporated herewith to these minutes as Exhibit "4."

A copy of *City of Santa Fe Organizational Chart FY 15/16*, entered for the record by staff, is incorporated herewith to these minutes as Exhibit "5."

1) ENTERPRISE AND SPECIAL REVENUE FUNDS (CONTINUED)

a) Parking

Oscar Rodriguez, Finance Director, presented information regarding the Parking Division budget from Exhibit "1." He noted in his write-up transmittal he indicated they were recommending a rate increase for parking, but not a specific amount. Funds are being included for the Parking Division budget to engage an expert to advise on the rate increase, and facilitate staff engagement with the public. Mr. Rodriguez said the Council directed that the burden for the debt at the parking garage be shifted to the Parking Division, which will result close to a million over the next 3 years. The Parking Division Fund will be in deficit at the end of next year, and the recommendation is to consider increasing rates. Staff will come back with a definite plan and after having engaged the interested stakeholders.

Jon Bulthuis, Director, Transportation Department, said they will be engaging in a Rate & Fees Study, and staff will make recommendations to the Council for how to restructure the rate and fee schedule to meet the debt burden. He said the Memo included in Exhibit "1" identifies that need at about \$1 million annually, as approved during the budget process last year to split the debt for the Convention Center parking facility to come to parking. They will be working on the administrative adjudication of parking fees, under the City's home rule powers to do that outside the Court system and increase response. The Council directed moving forward with administrative adjudication using a collection agency, which is built into the budget, to narrow the gap between revenue/operating to almost break-even. They are counting on Governing Body support to collect the outstanding revenues.

Mr. Bulthuis said a major project which isn't within the budget, is upgrading technology, so all of the revenue and control technology is in place for better management control over facilities, so the citations, etc. can be addressed through that system. He said Parking Director Noel Correia is working on an RFP. He said they are fairly certain the revenues as a result of that will to pay for the required capital investment, reiterating this is a project outside the budget request, and something you will see in the coming fiscal year.

The Committee asked questions and commented as follows:

Chair Dominguez asked the impact of the move made at the Convention Center and how that relates to the rate increase.

Mr. Rodriguez reiterated his previous explanation.

Chair Dominguez noted that in the summary provided the rate increase was for 2 hours or more.

Mr. Bulthuis said he was asked to develop a sample scenario of what could possibly be approved by the Council going forward to generate the \$1 million, and this is one possibility. He said the approach they would like to take is to look at the rates and fees across the division and come back with multiple scenarios for discussion with the public, the stakeholders and the Governing Body, to meet the \$1 million need. The Memo is an example of what could be done that would achieve the \$1 million, it is an illustrative exhibit.

Chair Dominguez said regardless of what the rate increase will be, what has been presented is a balanced budget, and Mr. Rodriguez said yes. Chair Dominguez said if we choose not to increase rates, the budget for this year will be balanced, but after that there will be a deficit, and Mr. Rodriguez said that is correct.

Councilor Maestas we had anticipated an increase in revenue in replacing the old meters, but we've only installed about 250 meters. It doesn't appear he is factoring-in any increase in parking revenues. He said on page 64, Parking Operations, there are \$162,000 in capital purchases, with an ending balance of \$908,000. He asked if it would be prudent to move forward with a larger phase of installing the new meters, investing as much as we can, adding to the \$162,000. He ask how much more revenue we are generating with the new meters.

Noel Correia, Parking Director, said installing the new meters does not necessarily mean in an increase in meter revenue. There may be a slight increase, but paying for the communications needed for every transaction to get credit card approvals, etc. The second thing when people pay at the meters, the violations decrease, and citations decrease, so overall we are not gaining any new revenue. He said we may see a decline in revenues overall. He wanted to make this clear.

Councilor Maestas asked if he can draw any conclusions from the limited revenue history.

Mr. Bulthuis said they can take a closer look, but the primary goal in putting the new meters on the street is the ease of customer use in having the ability to use a credit card.

Councilor Maestas said the general perception is that the new meters would translate into more revenues. He is glad we are taking a go slow approach on raising rates. He said apart from the study, he thinks staff should consider appropriate signage to encourage park in the garages.

Mr. Correia said the biggest challenge is the fact that on-street parking rates are cheaper by \$1 than the garage rate. He said the rates for parking in the garage should be less expensive to push people to use the cheaper parking underground, so the newcomers can park on the street.

Councilor Maestas said it would be good to have shared use for private or State managed parking lots, suggesting the study should look at innovative partnerships to come up with agreements for joint use after business hours.

Councilor Lindell asked Mr. Correia would recommend over to increase the hourly rate for street meters and lower the rate for parking garages.

Mr. Correia said no, his suggestion is that the garage rates currently are equitable for what the driver gets in return. The street parking is too cheap, and to encourage people to get into the parking garage we need to bring the meter equal to or higher for the garage. He said we can make it equal and then look at the effect, and move forward with something else.

Councilor Lindell asked why the contractual services are decreasing so dramatically.

Mr. Bulthuis said that was due to a shift in the security firm currently in place, versus what was in place in last years. He said this may need to be modified as we move forward based on who gets that contract in future years.

Councilor Lindell noted it is a sizeable decrease but that is good.

Mr. Bulthuis said they are doing the best they can to work within the budget.

Councilor Lindell asked about Other Operating costs, and asked for a breakdown of those costs, on page 64 [Exhibit "1"].

Mr. Hopkins said it is based on his data base that includes all the categories the financial system doesn't have in a native way. It includes travel, training, print & publish, postage & mail service, advertising, rental of equipment, and facilities rental.

Mr. Bulthuis said this number has been stable for a number of years, and there is no request for additional funds.

Councilor Lindell said it's a very very sizeable item with no details.

Mr. Bulthuis said they have done no travel or training at the Parking Divisions. The Operations Manager and the new Director will be attending the Annual Parking Convention this year due to the desire to upgrade our equipment to meet with vendors and such, noting that is about \$3,000.

Mr. Bulthuis said advertising is fairly limited, and that line item has taken a big hit over the years related to what can be used to place ads in any media.

Councilor Lindell asked what is a sizeable item in the \$1.1 million.

Mr. Hopkins said the break-down includes Fees & Taxes \$298,216, Internal Service Charges \$396,691, inventory exempt equipment purchases \$52,000, other operating miscellaneous \$23,800, rentals \$326,200, travel \$3,900 and that is it. He said the rental includes equipment rental, as well as space rental at the Cathedral Lot.

Councilor Trujillo asked the cost per hour at the meters, and Mr. Bulthuis said it is \$1 an hour.

Councilor Trujillo asked the charge for private spaces.

Mr. Bulthuis said the permit parking is a set fee of \$65 a month.

Councilor Trujillo what happened with the automated ticket dispenser, and what we are going to do with those.

Mr. Bulthuis said those have been removed and repurposed. They did some placement at the Railyard and upfitted those so they are functional and working right now. They are servicing the Violet Crown area and the Railyard at large. The pay and display equipment is being placed at the Airport as well. They are looking to upgrade this equipment throughout the system so there is a standardized means of doing business with supporting software with consistency.

Councilor Trujillo said he was under the assumption as well that the new meters would bring more revenue. He didn't take into account the cost to operate one of those meters.

Mr. Correia said the 200 meters we have currently are costing us \$24,160 to maintain and to pay for the air time needed. He said these costs will increase as we add more meters, but that technology is the wave of the future 10 years ago. We are far behind, so we have to move in this direction, and it is the goal to do that over the next two fiscal years – to have all smart meters.

Chair Dominguez said then we don't generate a lot of revenue with that new technology.

Mr. Bulthuis said we don't generate additional revenue, but it provides ease of customer interface, as well as reducing cash handling by staff. We're just getting out of the business of dealing with cash which is always a good thing. There are benefits beyond seeing an increase in revenue.

Councilor Maestas asked the status of our collections efforts.

Mr. Bulthuis said they met with the Municipal Judge and the City Attorney's Office about expanding the ability to do that for more citations and taking a second look at the administrative adjudication process, noting Councilor Dimas is bringing forward a new Ordinance in this regard to help us to see more revenue come in from fees that have been assessed. Our track record has been poor for many years, so it's a shift in the way we do business. We want to make it as easy as possible for people to comply and where the technology upgrade is focused. He said aren't at the point of hiring a collection agency, and they are working on the administrative adjudication language to get it to a place where we can do that. That will be happening in the first part of the fiscal year.

Councilor Maestas asked the outstanding balance of uncollected Parking revenues, saying before we agree on a rate, it will consider a higher collection rate.

Mr. Correia said it is in excess of \$2 million, noting State law allows us to collect on citations for up to 4 years old. As soon as we get the Ordinance on lines, the company will start to collect the money. We will have to write off anything more than 4 years old.

Councilor Trujillo asked if the outstanding balance includes late fees, and Mr. Rodriguez said yes. Councilor Trujillo said that discourages a lot of people, and would like for us to think about having a week where people can pay the original fine, and the rest is forgiven. He would rather collect at least something.

Mr. Bulthuis said as we talk about how to collect the money and enforce fines going forward, and an amnesty program was thought of as a way for people to get right on past fines.

Councilor Trujillo said if a Resolution is needed, he would like to look at sponsoring it.

Mr. Bulthuis said the Governing Body will be walked through each step as they bring those recommendations forward.

MOTION: Councilor Trujillo moved, seconded by Councilor Lindell, to approve the Transportation Budget as presented.

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

Mr. Rodriguez noted he will be passing out copies of the Organizational Chart [Exhibit "5"].

2. SUPPORT SERVICES

3) GENERAL GOVERNMENT

b) Internal Auditor

Liza Kerr, Internal Auditor, reviewed the budget which is on page 141 of the Budget [Exhibit "1"] Please see Exhibit "1" for specifics of this presentation. She noted there is \$31,000 for Teammate software, saying she is very familiar with the software and how to use it effectively to make the department run more efficiently. It is an electronic audit work paper software, and it is pre-loaded with audit programs.

Chair Dominguez asked if this will be purchased by the department or by ITT.

Mr. Rodriguez said it is joint, noting there is an ITT governance committee that coordinates all of these purchases that approves it and ensures everything comes together, but it will be in the department budget.

Ms. Kerr said ITT can use it to do their self assessment. Additionally she recently attended a day of investigations the person leading the discussion also uses the software to house their inspector general type of work.

Mayor Gonzales said, "Just a quick update for Councilor Maestas and Councilor Bushee. At our last Council Meeting I attended.... I have had a couple of meetings with the Internal Audit Committee Chair and the Internal Auditor to discuss specifically, as we continue this dialogue of moving toward true independence and looking at the idea of an inspector general and the roles they play in pursuing fraudulent activity and the abuse of activity with government, to please, as a Committee, consider a series of recommendations that could come to Council to at least begin to move toward what I think you've expressed an interest in going towards. Things like readjusting the organization chart to take away the dotted line that goes toward the City Manager and reports more toward the Mayor and the Chair of the Finance Committee, as an example, but at least two individuals on the Governing Body, being able to

conduct annual evaluations in a periodic way and submitting that to the Governing Body so we are kept abreast of the performance of the Internal Auditor, looking at ways to require training activities for the Internal Audit Committee, because right now there is no requirement for training. So, being able to train Internal Audit Committee members so they understand how to support audit programs, or identify what to do in cases where there might be fraudulent activity, in an effort to separate the Internal Auditor from the management structure and have it report more toward the Governing Body."

Mayor Gonzales continued, "The issues of hiring and termination I think is something they are going to consider, because the City Manager right now is the only one with the authority to hire and terminate. These are all issues we need to address to make sure your desires and requests for further independence didn't get left until we brought it up again. I have asked the individuals right now that are tasked with performing some of those functions to offer a series of short term recommendations as we proceed to the consideration or the adoption of an inspector general to begin to create more of the independent structure desire under the current Charter as it is. I am hopeful the Council will receive a letter from the Committee with a series of those recommendations so we can begin to consider and move toward policy. Because I think there are some short term things we can do to begin to establish the independence that Councilor Bushee talked about, and also expand the duties or begin to prepare for an actual position that is focused on fraudulent activities and seeking out waste and abuse that are separate from what an internal auditor does to run the course of auditing the City's activities to make sure we are in compliant, which is very different from pursuing forensic auditing to seek out fraud and abuse and what might be going on."

Mayor Gonzales, "Just wanted to report that those recommendations will be coming forward for consideration. I do think, Mr. Chairman, hopefully, there clearly is a need to expand the budget of the Internal Audit office. We discussed looking at contractual relationship versus an FTE. I have asked the Internal Auditor, having listened to our dialogue and debate, what might be best to roll out, and I think there is going to be conversation with the Audit Committee, at least what was given back in year one, considering granting some contractual service money so when, through the Fraud Hotline, something that comes forward that requires quick movement and investigation there is money available and contractual service can be done. And then at the end of next year, being able to evaluate how much time was actually spent pursuing fraudulent activities that were uncovered, costs association, and does that warrant a position. But just to move toward the direction I think you wanted so it doesn't get lost in all of the dialogue and establish that independence and the true position that is looking for fraud and abuse that will happen in a large bureaucracy over time. But that's not what the internal auditor set up, and I think that was your point is you've been advocating something separate from the Internal Audit function done. Hopefully this is a logical pathway to getting closer to where you have to be."

Councilor Bushee asked if they also make recommendations of how to incorporate and beef up the Hotline with that whole process.

Mayor Gonzales said they listened to the debate that night and he thinks they have digested it quite a bit in my conversations with them. I have asked that they take it up with the Internal Audit Committee and come up with specific recommendations that can respond to the direction you were driving for more independence, and as Councilor Maestas suggested a position considering fraud and abuse

without having to wait until something completely disrupts, or us never having a function set in place. He said this is an opportunity to develop a collaborative approach between the Council and the Internal Audit group in a way that allows us to begin to ease our way that makes the objective you talked about. He said if we just funded the position requested by Ms. Kerr that she could absorb it into other things without pursuing forensic accounting or fraud and abuse. The hope is to collect data through the Fraud Hotline, how much was spent on contractual services, if approved, and see if it warrants a full position.

Councilor Bushee said the two questions for her this fiscal year, is to try to include funds for two things, a forensic audit of the 2008 Parks Bond, and for any additional positions or however we restructure it.

Chair Dominguez said if we do need to do a special audit on anything, how is that established within the budget.

Mr. Rodriguez said he would respectfully advise that you would consider a one-time cost from the General Fund contingency fund.

Councilor Maestas said we seem to be coming to consensus on position to investigate instances fraud, waste and abuse. In consulting with Ms. Brennan in creating an I.G., he is considering a policy track to establish an I.G., one of which is to bring forward a proposal to be acted on if it's deemed viable, and that would be to put a question on the March ballot if they want to establish an office of inspector general. He said the funding can be considered later.

Councilor Maestas would like for us to integrate routine evaluations of key departments based on risk, budget, interaction with the public, and put them on rotation where Ms. Kerr's department evaluates them. He wants to see us become a high performance City and address issues in those departments that really need help.

Mayor Gonzales said he wants to be careful how much we put on Internal Audit outside of what an Internal Audit group should do. There are lots of risks year after year that occur in any operation and the Audit Plan needs to follow those risks, and it might not be about high performance. He likes the direction he wants to go. He would prefer that we do an allocation that becomes more a department or focus of high performance meeting metrics, performance evaluation, invest in personnel that brings return on the investment. He said part of the Audit Plan should be making sure we're high performing, but we haven't necessarily adapted the culture or set the vision and if we don't have a coach out there that's moving it, it's very hard to do. He is 100% on board with where Councilor Maestas wants to go, noting that in his experience that year after year issues can arise in the normal course of business. He said he suggested previously perhaps going to the public to change the Charter to create an inspector general.

Chair Dominguez said, "The message is loud and clear, especially given what we've experienced the past few months that we're going to be going in the direction of oversight, transparency, etc. When I worked with Liza on the position, part of the intent was to create that separation and independence or give them the autonomy that is needed.... I think we're putting up a nice framework to make that happen."

MOTION: Councilor Maestas moved, seconded by Councilor Dominguez, to approve the Internal Audit Budget as presented.

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

c) Mayor and Council

Mr. Snyder said there isn't much change in the Mayor and Council's budget. He said they did increase some of the travel budget, the operating supplies. He said there is an uptick in the budget, but that is to provide services for travel, paper, cell phones and those kinds of things as we move forward.

MOTION: Councilor Trujillo, seconded by Councilor Maestas, to approve the budget for the Mayor and Council, as presented.

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

d) City Manager

Mr. Snyder said the budget is flat, although there is an uptick which you can see on page 141, the lion's share of which is moving the Asset Development Director and his assistant, the Property Manager, into the City Manager's budget. There is also a request for a Deputy City Manager.

Mr. Snyder said he would like to present his vision of what the Deputy City Manager would do. The Deputy City Manager largely would be helping in areas he is unable to focus on during the day. He currently has 23 direct reports which is quite a bit larger than the typical 5-7 direct reports span of control, and doesn't allow him to focus on some of the things we've talked about. Such as lead the streamlining of business processes, organizational efficiencies, looking at reorganizational opportunities, and focus on change management. It will take a lot to change a process, a culture, and it would be a huge to have somebody focused on it. The person would lead level of services evaluations around the past, as we've talked about right-sizing our operations.

Mr. Snyder said he spoke with Renee Martinez today and her evaluation is that with the installation of an ERP system, we will need a dedicated person that is not an IT person, not necessarily a project manager, but oversees operations within the City and take a lead effort in that to be successful. It's important to have someone to oversee that, and the new position would take a lead role in that as well. When they did the Quality New Mexico application earlier this year, that we are deficient in some areas, and he felt the biggest deficiency is that we don't have a way to measure and report metrics. We do a lot of things well, but we don't report well, or collect data well, and this position would assist in the organizational development of certain criteria and collection of data to become a high performing organization.

Mr. Snyder said they also talked about cross-training and career ladder building in H.R. This position would also assist with that.

Councilor Dominguez said what Mr. Snyder is requesting is somewhat of an uphill battle. He has always felt we are a big enough organization to require and need a Deputy City Manager, a Chief of Staff, whatever the term is, but the experience hasn't been good in the past with Deputy City Managers. There doesn't seem to have been clarity in the job description, or mission. It hasn't fit in the organization very clearly. He asked how will this be different from the bad experiences we've had in the past with the Deputy City Manager, other than that we have a different City Manager.

Mr. Snyder said he wasn't here when there was a Deputy City Manager, noting he was in the Water Division, commenting he believes that was Bill Tallman when Galen was the City Manager. He doesn't know how it didn't function. He would that position would direct reports, but focus more on efficiencies and opportunities to help make a better City.

Chair Dominguez said the Governing Body has asked for liaisons as well, noting they toyed with that in the last budget. He asked how can we make this position help the Governing Body to help Mr. Snyder, so it's not a position that's just specific to supervision by the City Manager, instead of being another constituent services position. He would like to see a more definitive job description and how it can give the Governing Body the opportunity to help you, and what Mr. Snyder's expectations would be of this Deputy Manager.

Mr. Snyder said he doesn't look at this as an opportunity for "you to help me, but an opportunity for us as a group to help the organization and provide better service to the community by streamlining processes, doing things better, looking at the ways we provide levels of service." He said in terms of constituent services, they will be coming to one of the next Council meetings to a 311 system. He said once we move in that direction, noting they have learned a lot from the pilot and there are opportunities to help capture what you're talking about. He would focus constituent relations in that area, as opposed to driving more efficiencies from within with this position in the organization, noting the community and visitors will also reap the benefits.

Chair Dominguez said the challenge, in his experience, there is this sense of "well, you're just a Deputy City Manager, not the City Manager." He said this is something Mr. Snyder will have to deal with through sending a message throughout the City government that the Deputy Manager is speaking on behalf of the City Manager.

Councilor Maestas said he course jotted down Mr. Snyder's vision. He has no doubt the work load is there, but there are elements of that plan with which he has issues. He said "you used the word your vision, and that's where the disconnect is." He said we were elected, we had a retreat and rallied around principles, but we haven't embarked on an effort to come up with a shared vision between the administration and the City Council. He said a lot of Mr. Snyder's plans for a Deputy Manager would be components of a strategic plan. He said we are year into the new administration and believes it would be a worthwhile investment of time and effort into a strategic plan – or to align our visions for the City – which hasn't been done in his opinion. The duties of the new position would be based in part on the results of

our consensus building and determining a shared vision for the City. He knows Mr. Snyder works long hours, and does a great job, and it's not a sustainable situation. He reiterated that until we have a process to establish alignment, joint visions and consensus he can't support the position until that is done.

Chair Dominguez said for him, it comes down to seeing a job description, and if we are going to task the Deputy City manager with some things to help us to get to a better place.

Councilor Bushee said she has always wanted to see someone in training, but she agrees with the Chair's remarks that it has much more to do with how the way the City is managed. She said she should challenge Mr. Snyder to look from within to find the staff that might be there. She said when we got the new Land Use Director, we kept the old one and gave him plenty of work. There have to be people on whom he relies who are good managers that you could bring on from in house without creating a new position. She said she has been through many strategic planning policies, put it on a shelf, and since 2008 we have robbed Peter to pay Paul, scramble and have no real plan. She said we don't follow the plan no matter how much time we put into it, and we've gone by the seat of our pants at least since 2008 when the economy took a downturn.

Councilor Bushee continued, saying she doesn't want someone who is just here to help us get a Quality New Mexico plaque, or bean count. She doesn't want to see the City go through these efforts when we don't really follow them. She can't support this request, we don't have the money. She doesn't see continuing to look at the pot of gold sitting in the water company which doesn't find right either. She said she hasn't seen a good rationale to create a new position. She would hope he could come back to us with a position within the existing employees. She said under the previous City Manager, people would approach us and tell us the City was bloated with staffing levels, and the former City Manager gave a song and dance in terms of, oh, we run the water company. She said relative to cities of our size statewide, we were pretty high in certain areas. She said we've never had follow-through on our staffing levels, and asked if we are heavy, and in what areas. She thinks this is a good aim, but doesn't believe we are there yet.

Councilor Trujillo said he believes the work load is there for a Deputy City Manager, but said he is soured on the way the last Deputy City Manager was used, and it really didn't work. He agrees with Councilor Maestas we need a job description, commenting that with the budget right now, he doesn't see that happening. He does know that Mr. Snyder is overworked.

Councilor Lindell said she things to move in the direction this Council wants to move, we do need to have a Deputy City Manager. She said she doesn't think one person can do the active day to day management of the City and have 30 seconds left over to do any future strategic work or have any chance to find the time to do analysis to make us more efficient and find places we could be more efficient and do the analysis of that. There aren't enough hours in the day to do all we would like to have done. She is very supportive of having a Deputy City Manager.

Councilor Rivera arrived at the meeting

Chair Dominguez summarized the discussion to this point.

Mayor Gonzales said he is pleased with the comments and the sentiment to get some assistance for the Manager. He said he has been pleasantly pleased, and surprised at his capacity to be able to lead this government given all the challenges we have. He said he has been able to go through the process of hiring new personnel, exemplified what we want in leadership when it comes to individual who, by example, sets the tone for his direct reports and isn't afraid to hold people accountable if they don't step out or meet the needs of the City. He also sees a person who comes to work at 7:00 a.m., leaves at 8:00 p.m. He sees his kids in his office after school until 7:00 p.m., and most of the time he's sitting there working on personnel action items, tasks the Council has given him that he feels he needs to deal with personally. He said he believes to foster a healthy environment to keep a strong manager in place there has to be a strong work-life balance in place, and he is tilted completely on the work side in his commitment to the City. His kids have been great about going along with it, but there's just so much time that kids like hanging out in an office drawing on a white board. He said with incredible ideas coming from this Council that we want to see introduced and creating a stronger government that is better performing, he doesn't have the capacity to do it. And if we want to see more initiatives undertaken, Brian has to have some assistance.

Mayor Gonzales continued, saying, "In terms of how you fund the position and determine its duties, I think I would asked the Council respectfully not to quite go into that area, and to keep focus on the outcomes and expectations. So if you have a series of deliverables for the City Manager that it is incumbent on his entire team to deliver on what that is. If you ask for a delivery plan on to start creating benchmarks and high performance measurements and how to begin the training process, ideally that would be something the Deputy City Manager might do. However, if it is restricted and the person is called to do other things it becomes a challenge. So I would ask that you give him the support, but you hold him accountable for ultimately what you are asking to get done and you evaluate his success based on that."

Mayor Gonzales said Las Cruces is a similar size City and it has 2 Deputy City Managers, Rio Rancho has a Deputy City Manager, and all of his peer institutions in pay and assistance have more support around them. He said he thinks this is called for, noting in the paper we saw where the County Manager is making \$170,000 with Deputy County Managers, for a size of government that is less than half of the City's. He said, "I know we have the right person as City Manager, but he's not going to be able to get us there by himself, so hopefully the Council will approve it and then continue to set outcomes and performance requirements he has to meet to keep his job, but we've given him the additional support to execute on some of these big things that we want, so hopefully the Finance Committee will see that."

Chair Dominguez said what the Mayor said is the same sentiment we have articulated. He said we need to consider our past experience with Deputy City Managers. He wants to see a clear definition of what that person would be doing. He said Councilor Maestas has articulated approval with contingency, and we have lots of options, so "let's see where the road takes us."

Responding to the Chair, Mr. Snyder said the \$147,000 is 10 months salary and benefits for a Deputy City Manager.

Chair Dominguez said the budget as presented by Management is balance with that position included, and Mr. Snyder said that is correct.

Councilor Rivera said he was working here when we had a Deputy City Manager the first time and experienced first-hand some of the issues and problems that happened. He said he thought it was a lack of communication between the City Manager and the Deputy City Manager, as well as a duplication of effort, and if you didn't get an answer from the City Manager, you would go to the Deputy City Manager who loved College Basketball and if you talked about the old days, things happened pretty quick. He thinks it will take some real leadership from Mr. Snyder to create a good job description to point the Deputy City Manager in the direction they should go. He noted the Council hasn't completed Mr. Snyder's annual review through the process agreed upon.

Councilor Rivera said another issue is that we still haven't found raises for mid-level and non-union employees, and all employees look at this wonder why we can't do that but will find funding for a Deputy City Manager. He would like to see these raises, as well as to do the annual review prior to considering the new position.

Councilor Maestas he is hearing that every Councilor wants a transformational change, and no more incremental change. He said the proposed position could help to get us there, but we all have a different idea of how to get there, and he wants us to be aligned on a shared path and shared vision in a transformational fashion. He is willing to revisit this at mid-year if we develop a process, but he doesn't think we are ready to create the new position.

Councilor Bushee departed the meeting

MOTION: Councilor Maestas moved, seconded by Councilor Trujillo, to approve the City Manager's budget as presented, without the Deputy City Manager.

DISCUSSION: Chair Dominguez said one of the options we have is to create that position on the organizational chart and fund it at mid-year after we go through the process and come up with a collaborative overall funding source.

Mayor Gonzales said he is on board 100% to get a strategic plan to create the alignments and get somebody to execute it. However, the motion ignores today's reality that "the guy is working 12 hours a day just to handle what's in place now and he is delegating to his staff, but there are things we expect him to take on as a City Manager. Minus getting somebody in place to alleviate some of that, there's going to be a burnout very soon, and that's not the environment I want for the City Manager or for any of our employees." He said he doesn't believe any Councilors think he sits on his hands. He hopes the Council doesn't ignore the fact that there is a need for help today in the office.

Mayor Gonzales continued, pointing out that the strategic plan isn't going to appear magically, and all of us are really busy and it's going to be hard as a Council to begin the process on top of all the things we're doing, to develop a strategic plan, unless we invest in a resource which will deliver the product. We can contract somebody to do a strategic plan, and thinks those are the plans that end up on the shelf. Or even if we do it through a term position to evaluate, at the end of next year we had an individual working in-house with those directions who could come and do the day to day development of the shared vision. He said if the Committee adopts the motion, in 6 months we'll see the same thing, unless we contract

somebody to do a strategic plan, and he will be in the same place he is now of working on things we want him to do. He said if you can put the position in the chart, and fund it or wait to fund it until a job description comes forward, and then evaluate at the end of the year to see if the outcomes were truly established. Mayor Gonzales pointed out that Mr. Snyder, among his peers across the State, is making the least money with the least support around him. He is hopeful we can create support this year with an outcome tied to it where we don't go down the path of fund a Deputy and it got lost in the bureaucracy, and really use it to make sure there is a return in place. He said Mr. Snyder's days are getting longer and longer, and I don't think it's the right thing to ask of anybody, much less a guy who is raising two kids.

Chair Dominguez said with all due respect to the Mayor and City Manager, "I believe the City Manager knew what the word load was. Granted it's a new administration, but he was the interim City Manager before that, and certainly he signed up for the job knowing that there wasn't a Deputy City Manager position." He likes the idea of setting the funding in place, but not utilizing it until we have a commitment from the City Manager and the Governing Body that maybe the first priority is to get some of these people pay raises and nothing happens before that. He said, "I'm kind of riding the fence on this one, I'm going both ways, but let's see what we come up with."

Councilor Maestas said he is open, but taking a tough position initially will help get us to the aligned shared vision. We need to ask our community how they want it to look, which he thinks is fair. The visioning process needs a prominent public component. He is willing to set aside funding and use half of that to contract someone to facilitate community visioning. He doesn't want to create another document that is going to collect dust, but at some point, we have to put the past behind us and move forward.

FRIENDLY AMENDMENT: Councilor Maestas would like to amend the motion to approve the position of Deputy Manager, that the money be set aside and that the money be split between contractual service to develop an all inclusive plan for our City or direction of vision, and we can look at the results at mid-year, and how it integrates with the proposed position. He would forego writing a job description until we're done with asking our community what they want from their government. **THE AMENDMENT WAS NOT FRIENDLY TO THE SECOND.**

Councilor Trujillo said he is more open to what Councilor Rivera said, if we're going to set aside the money, that's fine, but we need to look at the priorities of employees that haven't gotten raises, rather than contractual services.

Chair Dominguez asked the total dollars to do the raises.

Councilor Rivera said the last plan he saw there were different models and options and ranged anywhere from \$80,000 to \$200,000 to do the raises.

Mr. Snyder said the numbers he and Oscar were talking about and recall were the 3% for non-union employees making less than \$90,000 a year, and the cost was around \$550,000. That was the most expensive of the options, and the others fall below that.

Mayor Gonzales said he is supportive of where Councilor Rivera wants to go, but this is an apples and oranges kind of deal. He said, "I'm not going to beat the horse, you're right, Brian knew what he was getting into, he is delivering, he hasn't complained, but there still is a need to do more work out there that all of us want to know. The visioning is one component, but there is also the strategy of how we develop training, create upward mobility, good align for our employees and that's not going to happen overnight and it's not something that personnel can develop over night." He thinks if we want to fund pay raises for non-union employees, we should find \$150,000 or \$200,000 in the budget cycle, and make a commitment as a Governing Body to allocate a pool of money and start building a fund for the employees to start getting raises over a 3-year period.

Mayor Gonzales continued, saying we should task it to the City Manager to come forward with a written plan that provides a description that lays out here is how the individual will be utilized, and the metrics for determining success. He said a great initiative this year would be a strategic plan, noting he has asked Mr. Rodriguez to begin to move forward with performance based budgeting so departments' budget are based on performance and there is a method to evaluate whether they are being successful or not. He said any initiative we give him, minus what he has right now, is going to sit there unless we actually fund it. Instead, we take control of the position and wait until he comes back with written plan. Or perhaps the Council can set the priorities and then Mr. Snyder has to write a plan on how he'll meet the priorities with the position, and at that point the Council can release the money so he can go forward, and that could be evaluated, and in that might be bring us back a plan in 6 months that shows us how we're going to cover pay raises for non-union employees in a systemic way, so it isn't subject to Councilor Rivera always needing to be the voice of saying we need to fund these or give these guys increases that haven't received it. He appreciates being part of the dialogue. He thinks we can have the position pay for itself. He said the desires of all of us to see our certain issues addressed can be managed, but he's not going to take these on any more than what he can right now.

Councilor Lindell said we have a City Manager who is here from 7:00 a.m. to 8:00 p.m., and we're trying to get an assistant for somebody who is running this ship day in and day out, and instead of willing trying to find a way to find an assistant, we're saying maybe, but in order to get that assistant, we're going to put a bigger work load on him to get that assistant.

Councilor Lindell continued, "That doesn't make any sense to me to do that. It's yes or no, but it's not like well you can have half of the money, but for the other half you need to find a consultant. There aren't enough hours in the day to get it done. We're funding an inspector general. Did we need that position. I guess we did, but I don't see that as being a critical need we have for someone else working to be Deputy City Manager. How many departments are there Brian."

Mr. Snyder said there are 14 departments.

Councilor Lindell said, "This is not a small enterprise to manage, and I think when we fund things without giving it a second thought, and sometimes we give it a second thought, and sometimes a third thought, but we still end up funding them. And the amendments that come forth to us on contracts, 4, 5 and 6 amendments that we fund, I just don't think we're being as genuine as we can be about how big this task is. I wish we would just fund this position in this budget, ask Brian to bring forth a job description for it and

move on with it, so we can accomplish the goals that we all have. I very much appreciate what Councilor Rivera says, and I'm supportive of that. I think it's another issue. I would be happy to join you and work on that, but I do see it right now as a separate issue. We had a motion, we had a different motion and the second said it was not friendly, so I'm going to ahead and make a motion Chair."

SUPERCEDING MOTION: Councilor Lindell moved, seconded by Councilor Rivera for purposes of discussion, to approve the budget for the City Manager as presented with the position of Deputy Manager in it, with City Manager Snyder bringing forward to us a job description for the Deputy City Manager."

CLARIFICATION OF STATUS OF MOTION: Ms. Helberg noted to the Chair there already is a motion on the floor and asked if this is a superceding motion, and Chair Dominguez said it is a superceding motion. He asked, just for clarity and to make the action clean, for the maker and second of the previous motion to withdraw the motion, but that action was not taken.

DISCUSSION ON THE SUPERCEDING MOTION: Councilor Rivera agreed with Councilor Lindell that these are separate and his point was just that there are needs out that still have to be met while we're considering this budget. He wasn't trying to muddy the water to say that it's either a Deputy City Manager or raises for other employees. These are separate issues and believes we can find the money, and it's up to us along with the City Manager and Finance Director to actually do that. So he is in favor of the motion and thinks it can work and something Mr. Snyder needs to have the City to function appropriately, to continue to be funded appropriately and run appropriately.

FRIENDLY AMENDMENT TO THE SUPERCEDING MOTION: Councilor Rivera would like to do the annual review of the City Manager prior to looking at anything with the Deputy City Manager. **THE MOTION WAS FRIENDLY TO THE MAKER AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

Councilor Trujillo said then we are satisfied on funding this. *[Stenographer's Note: There was no reply to his question]*. Councilor Trujillo asked the timeframe for the City Manager to come up with a job description.

Mr. Snyder said he will have the job description within a month.

Councilor Trujillo said part of the job description should be finding money for the employees.

Chair Dominguez said, "I think we need to have that job description, probably before we approve the budget."

Councilor Trujillo said, "I will approve it. I will go with this. I think it's a compromise."

Councilor Maestas said, "I just don't think we're ready, and I think by making special exceptions we lose focus on what we need to do to really again formulate that shared vision, however we do that. And just to respond to Councilor Lindell, we're not funding any kind of inspector general in this budget. And I personally think the inspector general would be much more important than a Deputy City manager position.

So I can't support this. I indicated I was willing to reconsider this in 6 months, depending on the progress we make in developing a shared vision and I don't think we're quite ready. I agree with Councilor Rivera, I think we're sending the wrong message by approving this. I think you recall a year ago, looking at the magnitude of expansion requests last year from the departments and we didn't get to see that this year for a reason. And so we're not just sending a message to the rank and file, I think we're sending a message to the other departments that we're not willing to give you the necessary resources to do the best job you can for you and your staff. So I think it's a fundamental issue at this point. I wish we were further along, but we're not. That would truly justify creating and funding this position. So I can't support this, Mr. Chair."

SUMMARY OF THE MOTION ON THE FLOOR, AS AMENDED: Chair Dominguez said there is a motion on the floor to approve the City Manager's budget, with the Deputy City Manager position in it, and the two additions to that are that the job description come before the Governing Body by the time we approve the budget, and that the annual evaluation be done.

Chair Dominguez asked the reason we haven't considered or have in this budget, raises for non-union employees, noting Councilor Rivera has talked about it and asked for information for quite some time.

Mr. Snyder said there is a Resolution in the works, noting it is the source of the numbers he provided earlier as part of the options he and Mr. Rodriguez have been considering. He says it's not in the budget, as it stands, but he understands it is being considered to be introduced as a Resolution and work its way through the Governing Body process for their consideration.

Councilor Rivera asked if it is too late to consider something from the City Manager or Finance Director in regard to funding raises for non-union is it too late.

Chair Dominguez said it is not too late because the budget has not been approved, and if we have the funds available, it will take some time for staff to plug in the numbers and see how it looks in the overall scheme of the budget.

Councilor Rivera asked if Mr. Rodriguez and Mr. Snyder can do in a short amount of time.

Mr. Snyder said they do have options, and staff would ask for direction, noting they were looking at various sliding scales of 1-3%, depending on the salary. He said the last non-union raises were given 5 or so years ago. He said there is no recurring source of funding for this purpose, especially at the \$500,000 level for one of the options. He said staff will ask for direction from the Committee in terms of a flat percentage across the board or a sliding scale percentage, and with that, he and Mr. Rodriguez are committed to see what they can come up with.

FRIENDLY AMENDMENT: Councilor Rivera would like to amend the motion to give direction to staff to come up with something, and provide options for a sliding scale and for a flat percentage across the board 1-3% so it potentially can be considered in this budget. **THE MOTION WAS FRIENDLY TO THE MAKER AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

VOTE ON SUPERCEDING MOTION, AS AMENDED: The motion was approved on the following Roll Call vote:

For: Councilor Lindell, Councilor Rivera and Councilor Trujillo.

Against: Councilor Maestas.

Chair Dominguez noted for the Board that he would like to conclude the meeting by 7:00 p.m.

e) ITT

Renee Martinez, Director, ITT Department, said she has been on the job for 8 months. And it is clear to her by getting to know the departments and the IT organization that the departments have a very high dependence on IT and their success is very much tied to a functioning and highly capable IT Department. She was impressed with and the reference to and the importance given to technology and enabling them today to achieve their operational goals and their service goals.

Ms. Martinez reviewed the information in the handout and in the budget. Please see Exhibits "5" and "1" for specifics of this presentation.

The Committee commented and asked questions as follows:

- Chair Dominguez said when it comes to IT the City is lacking and we definitely do need to have a strategic plan and this budget reflects the direction we want to do. He said on page 3 of her handout [Exhibit "5"] when we look at the new positions, the Enterprise Applications Manager, the IT Business Liaison, and then look at the position responsibilities, he would guess that isn't a concentration of your priorities, it's spread throughout the entire organization.

Ms. Martinez said she originally wanted 6 new staff and pared it down to 5 in the budget that was submitted to you. These would be, excluding the Applications Software Specialists, those would be the 5 she just detailed for next year. She said she noted that on page 18 there is a description of all 18 positions which is the IT staffing expansion by fiscal year. She said the 18 staff requested staff are spread across 3 different fiscal years, noting she had to prioritize those she thought were the most important, year by year.

- Chair Dominguez said then she sees the 5 positions as the most critical right now and Ms. Martinez said yes.
- Chair Dominguez asked the cost of the expansion.

Ms. Martinez said she believes it is in the range of \$274,000 is based on a standard hiring for 5 people on July 1st, if they were going to start hiring on that date and fill the positions as quickly as possible.

- Chair Dominguez said it is \$272,000 in the memo and asked if it has changed, and Ms. Martinez said yes.
- Chair Dominguez said that expansion is for salary and benefits and Ms. Martinez said yes.
- Chair Dominguez said the overall budget for ITT appears to be increasing.

Ms. Martinez said there is a slight increase in contracts and utilities, and a slight increase in Other Operating costs to take care of hardware and software replacements for some critical equipment that is reaching end of life.

- Chair Dominguez said for the next budget, it might be wise to articulate in more detail the Other Operating costs we have in each of the department budgets – perhaps the top 3.

Ms. Martinez said there is some detail in the packet she sent to the Committee on the last page. The two items on that list are going to be discussions for CIP, those are the big ones. Those include the Data Center Modernization with a placeholder of \$1 million and for the ERP System there is another placeholder of \$1 million.

- Chair said we had discussed in the past how secure our data is. He said assuming we were to get the \$1 million for Data Center Modernization, does the staffing plan consider that.

Ms. Martinez said yes, and it will have to be reevaluated.

Chair Dominguez asked what will have to be reevaluated, the capital costs or the staffing.

Ms. Martinez said it is the staffing. She said the approach for the Data Center Modernization right now is to bring in a consultant with data center expertise to review the past assessments the City has done and the internal assessment and help us put together an RFP for Data Center services. And assuming it isn't cost effective to invest in modernizing our current facility, her personal opinion is that a facility here in this old building for a center is not suitable. And we should be looking at outsourcing the data center, noting most organizations have done this unless they are a very large organization such as Presbyterian Health Care Services whose data center is in Houston, Texas. It is a company that does this as a business, and have an investment in the state of the art data center with all the environmental and equipment. And having that in an area of competency within a small organization like a City doesn't make sense."

Ms. Martinez continued, "She said we will have competitive bids on data center services and make a decision. Once we do that, she will have a staffing plan around that, noting there are some things the outsource company will do, but there are other things we will continue to do. For example, we will continue to monitor equipment, create new environments for new systems and daily administrative tasks as well as project related tasks. So it's not complete, and we will have reevaluate our staffing needs, once that decision is made."

- Councilor Rivera, referring to the organizational chart handed by Mr. Rodriguez, and what does the yellow signify, commenting he assumes it is for vacancies. Mr. Rodriguez said this is correct.

Councilor Rivera noted the ITT organization chart has 29 positions, and asked if she is asking to reorganize the organizational chart, since there currently are 20 positions being funded.

- Ms. Martinez said the request is to add 5 new positions next year, and they will be filling the other vacancies.
- Councilor Rivera said then she is looking to increase to 34 positions total.

Ms. Martinez said yes, noting the organizational chart says 29, and she is trying to verify that chart is correct. In the budget book, there were 25 positions. It should be 29 plus the 5 new positions which would be 34 total positions.

- Councilor Maestas said he is glad Ms. Martinez is on board. He thinks she is approaching the challenge in a logical fashion. She answered his question about the Presidio Report. He is glad she is going to "hit the refresh button," and go through the Presidio Report, identify top priorities and ensure what is still relevant, noting obsolescence comes more quickly whether hardware or software.
- Councilor Maestas said they discussed the performance audit in Council, and there were some non-funding issues. One of the findings was repeated and modified which is a lack of formal policies and procedure, and the other repeat and modified was lack of adequate physical security in data centers. He asked if the Chair is convinced we are going to address those two issues and get them done.

Ms. Martinez said formal policies and procedures definitely are an area of weakness and span across all the discipline in IT. The hiring of security officers will help tremendously in the security area which are the higher risk ones. The other thing we will need to do with existing staff until we have additional staff is to prioritize all the other areas for policies and procedures. Those related to risk management will be the higher priority one. The plan is to prioritize the list and policies and procedures we need and start working on them. She said in regard to security for server rooms, they have reviewed the security for the different server rooms and they all have a keypad or a FOB type of security to them. They do need, on a regular basis, especially for the FOB access, to ensure as soon as an IT person has left the organization to make sure they update the account so that FOB can't be used again. That kind of routine maintenance and update of the list of personnel that can get in and have access and change the access codes, needs to be done as a routine procedure.

- Councilor Maestas asked if she has the budget in the next year to address the absolute highest risks.

Ms. Martinez said yes, we have both the staffing and operating budget for the lowest cost, but higher impact items like the \$500 humidity and temperature sensor in each of the four server rooms – those are things they are going to get done.

- Councilor Maestas said on the last page there is \$1 million for Data Center Modernization which you mentioned as a CIP issue. He asked if all of the CIP project are woven into each department's budget.

Mr. Rodriguez said no, the plan is to put all of them in front of you at one time together, so we can work on fund planning.

- Chair Dominguez said staff has considered the CIP plan as they put the budget together, understanding there are things in the CIP plan may or may not be approved. It is intended to be separate, the staff budget is somewhat reflective of the potential CIP plan.

Councilor Ives arrived at the meeting

- Councilor Maestas would like to see a backup generator for City Hall, noting it is a significant undertaking and big investment. However in the context of ITT systems, we need to make decisions such as where to house the data center, do we go with a cloud based type system, keeping in mind that City Hall does not have a back-up generator.

- Councilor Lindell asked, on the handout, page 10, the IT Strategic Roadmap, what are the dark green blocks.

Ms. Martinez said consecutive dark blocks means activity is fairly constant across that timeframe. There are some issues where there is less activity until you for the funding, for example the radio system upgrade will be a \$3 million investment. That will require a lot of discussion about funding, so there is a time lag between approval and implementation.

- Councilor Lindell said asked about the CBA score.

Ms. Martinez it takes the scores for cost and benefit and provides a score, the higher score means with the lower cost you have a higher benefit.

- Councilor Lindell said, regarding payroll automation, it appears in the second and third quarter of 2015 we are actively working on this.

Ms. Martinez said without replacing the EFP system we can make changes to our legacy system and processes that will give us a high benefit. And later when we start working on the ERP we can get additional benefits by having modern capabilities out of a modern ERP system.

- Councilor Lindell asked if the initial part of the project will be completed by third quarter 2015.

Ms. Martinez said yes, they are hoping to do that. They have asked the vendors to do tweaking to our system, but we're working to get electronic timesheets in place, as well as trying to reduce the number paper checks instead of direct deposit. A lot of labor can be reduced by some of these fairly simple process changes.

- Councilor Lindell said it sounds like a great step toward efficiency and she appreciates it.

- Councilor Ives asked what are the actual brackets of the measures – low, medium and high.

Ms. Martinez said low is in the \$10,000's, medium is in \$100,000's, and high is over \$100,000.

- Councilor Ives asked if there is an indication on the Strategic Roadmap of prioritization of threats within the IT system or to the IT infrastructure at the City.

Ms. Martinez said most of those in the risk area are early on the plan, noting the IT security, if we can get the security officer on board right away we can start making headway on that one, noting they have treated some of the risk areas earlier in the planning.

- Councilor Ives asked if they are identified in any systemic way on the strategic plan sheet.

Ms. Martinez said most of them really are only IT operational *[inaudible]*. They weren't split out to separate categories.

- Councilor Ives asked if there is budget to resolve all of the 9 items identified during the internal audit, if not what remains, and characterize those.

- Ms. Martinez said there are 2 items they will resolve with the operation budget with the sensors in the main server rooms. She has submitted a request for a security officer which was a recommendation so that's in the process. The other bigger investments like the backup generator she wants to push off until they finish the data center modernization assessment to see whether we are going to keep the data center here in this building.

- Councilor Ives asked the timing for the completion of the assessment.

Ms. Martinez is preparing a request to proceed with a contractor who is available on State Price Agreement, noting it is the same company that helped us to put together the Strategic Road Map, Info-Tech Research Group. She asked for a proposal from them and from Gardner Group because those companies are both on one State Price Agreement. She received 2 competitive proposals from them of the same quality, but Info-Tech is about \$40,000 less. She is preparing paperwork to seek approval to proceed with Info-Tech. This probably is about a three-month effort, so in 5 minutes she can come back with a recommendation for a data center organization.

- Councilor Ives asked if there are funds in the budget to cover Info-Tech and the work they would be doing to complete the assessment.

Ms. Martinez said yes, they are planning to use the CIP funds that were put in place, the \$745,000 for IT infrastructure, toward that effort so it is there.

- Councilor Ives asked in terms of implementation of any recommendations they might make, what is the plan for that when we get there.

Ms. Martinez said she doesn't know but hopes that would be within 6 months of finishing the assessment.

- Councilor Ives asked if she is saying there is nothing in this budgetary cycle and everything will wait until next year.

Ms. Martinez said they put a placeholder for next year, but that may be part of the CIP discussion with all the other requests.

Councilor Ives wants to ensure we are addressing as many of the threats to our systems as we possibly can in this budgetary cycle, and those are matters that should be in the budget from get go as opposed to being an add-on. He asked if we have a budget for security officer.

Ms. Martinez said she is requesting that today in the next fiscal year's budget.

- Chair Dominguez asked if she is requesting that as part of the expansion.

Ms. Martinez said yes, that is one of the 5 positions.

- Councilor Ives said you had talked about a level of management to oversee various segments, departments and asked how that works into the Strategic Roadmap.

Ms. Martinez said many of the initiatives under Business Application Upgrades and eGovernment will require having those positions filled.

- Councilor Ives said if we take the CBA score as measure of efficiency, setting aside the issue of strategic priorities, which ones are in the budget of those with a CBA score of 25.

Ms. Martinez said the first would be Project Portfolio Management, noting they have hired a Certified Project Manager so that wouldn't require an additional investment. The next would be project management itself, to the extent one project manager can handle all the larger projects on our plate, that should be taken care of. The next is City Related Documents, which one which may need an investment in software. We're at the point where we're researching electronic document management systems, electronic forms, electronic *[inaudible]* type of software, noting she doesn't know how large that would be and whether our operating budget would be sufficient for it. The GRS data location and wire services doesn't have a cost by itself. The strategy on that one is really as we upgrade systems we want to look for functionality that allows a lot of our applications to do location ware – capabilities to automatically flag, for example, licenses, like proximity to a

church or a school. The cost is imbedded in some of the business application upgrades. Ms. Martinez said Transit Information transactions is part of the new software in parking, so that is covered. She said these are the items with the highest CBA score.

- Responding to Councilor Ives, Ms. Martinez said the water meter project is already funded.
- Councilor Ives said with regard to restructuring systems and allowing ITT to re-ascend as a significant service entity, how is that going.

Ms. Martinez said there definitely are some trust issues we're working on and we're trying to engage the departments, planning the systems, and getting involved up-front in technology selection, and they were trying to position that as a consultant with them to build that trust. It's going to take time. One of the things she hopes to accomplish is the hiring of business analysts and business solution manager to go a long way in strengthening the relationship between IT and the Department.

- Responding to Councilor Ives, Ms. Martinez said they have a mix of funding, most of which is in IT. I've saved \$4.5 million of \$6.3, so there are differences in the department budgets. She noted if there is a very large investment in a new system the departments are budgeting it in their budgets.
- Councilor Ives asked if that is the most efficient system.

Ms. Martinez said there are pros and cons, if you centralize everything into an ITT budget, sometimes that creates a big target, noting she has seen that backfire in State government. She thinks if it is in the department, it motivates them to take a leadership role which is important.

Councilor Ives said he sees IT as a service organization in the City, but highly specialized. He hopes each department is coming to IT as it evaluates or looks at needs and allowing IT to do the job it is meant to do, which is to enable the systems to be acquired and put in place in the most efficient and cost effective way. He asked if this has been happening.

Ms. Martinez said, "I believe it's starting to do so and it will take some time."

- Councilor Ives said he has talked with the City Manager about Finance, HR, IT being service platforms to enable the rest of the City to get the work done is a significant one and the capacity to do it well will earn respect and allow it to function the way it should.
- Councilor Ives asked if there is anything else that is critical that isn't in the budget that the City should be funding to ensure safety of the City systems at this time – are our systems safe, are we dealing with potential threats sufficiently, and if not, what do we need to do now to change that.

Ms. Martinez said investment in staffing is key, noting we have 30 plus very critical business applications and only 5 people to take care of them. In some cases, some of those systems require at least a full time person or two to take care of it. She said, "We're really stretched staffing

wise, and that's why I asking that we make a commitment to three staffing over the next 2 years, and we'll work on the most critical areas first."

- Councilor Ives said he hopes we are doing enough, quickly enough, to make sure we don't have major failures within the system, because it appears to be exposed from the reports we've received. He said, "I can only say I trust we are addressing those intelligently, and if not, I will be an advocate for change."

Mr. Snyder said, "If I could expand on that. We presented a report 3-4 months ago for the need for a lot more positions than she has presented in the budget, it was 18 in that range. Right now she has 29 staff, and increasing it by 18 is a huge ramp-up in one year. In fact, the budget she printed to myself and Oscar was asking for 9 additional positions. And after conversations with Renee we convinced her to scale back to 5 because that percentage of her total number of staff already is a huge ramp-up. And in order to evolve change and move the organization forward, she came up with a phasing approach that I believe is going to be successful by hiring a new person every quarter depending on the work load and such, so that, I'll answer it a little bit more bluntly, does she have everything she needs. In her mind no, and in my mind no, but what she's asking for is something that will take a step in that direction, and help the organization overall."

- Councilor Ives said he appreciates that and clearly we're not in the position of spending on everything we need to, again, he's merely harping on the critically exposed systems which if we don't deal with them, we're leaving the door open to trouble, "and if there is that trouble, I will be looking to hold people accountable."

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve the IT Budget as presented.

DISCUSSION: Chair Dominguez thanked Councilor Ives for bringing IT to the spotlight, noting we have discussed this in the past and Councilor Maestas was also interested. He said we realize we are behind the times in terms of IT.

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

7. PUBLIC HEARING

Chair Dominguez gave everyone 3 minutes to speak to the issue

Carolyn Sigsteadt said, "I am speaking tonight because it's nearly the time for you to come up with the budget, and you have many needs, and you seemingly have an easy solution, perhaps, and I'm saying, don't do that. It's short sighted. I have been out of the State recently, I've lived here my whole life, but I've been in California. And there's interesting things going on out there in terms of water and the drought. And we know a great deal about that right here in our home State. I think we can be an example in New Mexico of what to do or what not to do, and I would prefer it be the first. The fact that we have

these water rates that probably are charging the right amount for water. Water is our precious resource. It's only going to cost more and more, and these costs will relate to legal adjudication and things. Personally, in terms of that, I think the Middle Rio Grande and the big players, it's going to be top down and then the bottom will start to adjudicate, but that is something that we're going to have to look at in the future if we're going to be responsible adults about this resources that is so precious, and is the next oil, in my opinion, on the planet."

Ms. Sigsteadt continued, "So this money that we have in this category can be used in so many ways to actually model what to do to in the 21st even 22nd century. Water hits the fan here before it does anywhere else in the country. So what we do here is an example, good or bad, as I said. My feeling is that money could be used to look for the leaks in our system, and I know them to be 10-15%, and we could incrementally just tighten up all the leaks in our water system. I proposed that we use this money to invest in a 21st/22nd century infrastructure system that really deals with our water both effluent and graywater."

Ms. Sigsteadt continued, "In California and other places in the country, there are systems where they are purifying the water on the surface as well as purifying it on the surface and injecting it into aquifers which will make it potable. This is the future and we should be taking baby steps, and these are expensive baby steps, but marching in that direction. Albuquerque is growing at a phenomenal rate, there are 600,000 residents in the City of Albuquerque and the County just outside the City is another 60,000. Those put together a City/County/Regional water system. This is something that over the 40 years that I've lived here, I've been kind of a witness at the County level of government. I'm kind of sad that Javier Gonzales isn't here because he knows me well. I've always believed in a regional water system. We have a regional water system between the City and the County that is asleep right now. I say we wake that up again, because what goes on in the County affects very much what happens in our City in terms of water. All of this take money."

Ms. Sigsteadt continued, "Obviously, the last story is a quick little story when I came to Santa Fe 40 years ago, my first job was at a non-profit and the only reason I got that job is the person who had the job before had misused the money for what the grant was accountable for and spent it on something. And so I had to go in there and perform to that grant's accountability without any budget. And that's what I'm afraid you will do when you move the money from water to the General budget. Please don't do it. Think long term. Thank you."

Chair Dominguez said, "Even though we've been doing it, I guess maybe your comments are very well taken."

Fred Sandoval, Executive Operations Manager, for the National Latino Behavioral Health Association, and thanked the Committee for understanding the specific needs of the Community Protection Initiative. He said, "I've been following that project for a number of months, and as the former Deputy Secretary of the Department of Health and the Income Support Division Director, I very much know that the very efforts you're undertaking to support the Community Protection Initiative is something can be vitally supported at the State and federal level. It would be a great opportunity to collaborate with the local resources that you all considered for supporting that particular initiative by leveraging it with other sources."

And I'm hoping that as part of your efforts, that you also look to find additional resources beyond those you are looking at from local revenues, because it's one of those resources and services that is actually fundable outside of local government. And I would like to encourage you to factor that strategy as part of your support for the Community Protection Initiative. As you know, there are more than 33 organizations, of which I'm one of those, that supports the CPI project, and it is undoubtedly one of the exemplary models that can be forwarded across the country. So you're opening that pathway to have local government step up its relationship around community health is exemplary. I can say to you, first and foremost, thank you for responding to my calls during those advocacy phone contacts and emails because it really speaks to your understanding of the impact City government can have on health care. So, Mr. Chairman, members of the Committee, thank you very much for your time.

5. CONTINUATION OF REVIEW OF FISCAL YEAR 2015/2016 OPERATING BUDGET

4) WRAP-UP

Councilor Ives said all of the departments have been approved in some form or fashion except for Water, for which there are outstanding outliers on water that need to be discussed. He asked if there is anything else that anyone wants to talk about, let him know now so we can be sure we have staff available for that.

Councilor Ives said in response to the remarks just made, we are busy populating our health care Hospital Study Group, and hopes to introduce a modification to the Resolution that established that organization to invite both members of the Department of Health to participate as well as the State Insurance Division, with an eye to engaging them in the type of discussion you mentioned, looking for additional funding as well as using the CPI program possibly as another way in which Santa Fe is trying to lead in the State of New Mexico on those public health issues, so very much in mind.

Chair Dominguez said under Wrap-Up the most significant issue we're dealing with in this budget is the Utility Policy, the fee in lieu or fee in lieu of taxes, at \$3.8 million. One thing he would like to see is direction to staff to provide information to the Governing Body on what it would look like to provide either a rebate and looking at water rates. He said, "I guess we would have to do some reevaluation of our capital projects on that, and what I don't want to do is to kind of react and do a reduction in water fees this year and then to have to increase them in two years. I think there's a lot of conversation we have to have before we decide whether or not we do one or the other, how much we do it for and for how long. But I don't think that there's necessarily anything wrong with at least direction staff to have that discussion starting from now. And aside from any discussion we may have regarding this, and what other Committee members may say, I'm not quite sure we can balance the budget by resolving that issue right now."

Chair Dominguez continued, "A couple of questions I do have just in terms of what that looks like. The first question Kelley, there's been some indication that the proposed policy is illegal, so I'm wanting to get City staff, City Attorney's response to that."

Ms. Brennan said, "Councilor Dominguez, I've have actually... I'd actually like to read something first."

Councilor Maestas said so you are referring to the payments in lieu of taxes policy, and the Chair said yes.

Ms. Brennan said, "And I'll just read to you because it says it more clearly I think than I could directly. First I will say yes, it is legal. I will say yes, it is legal to do the transfer. And I'm reading from a 1974 where exactly this question was litigated up to the Supreme Court, and the facts underlying the case. On August 2, 1971, the Albuquerque City Commission adopt Ordinance No. 102-1971, which increased sewer and water service charges over those charged under the superceded Ordinance. On the same day, the City Commission adopted Budget Resolution No. 2, where by its terms, the City requests approval by the Attorney General and the Department of Finance & Administration, for budget transfers and increases enumerated in schedules attached to the Resolution. The Schedules indicated that water and sewer revenues increased by the amount of \$1.5 million, and that fund such amount \$1.1 million was to be appropriated to the General Fund of the City and appropriated from the General Fund to cover budget increases for various departments in the municipality. So that's very clearly what we're talking about right here. I would say this case is on point. A certain amount of the discussion focused on the home rule powers of Albuquerque which are the same as ours. And ultimately, the Court says, this contention proceeds on the theory that a municipality has no right to charge for its utility service or product a rate in excess of cost, i.e., that it has no right to make a profit. Nevertheless we are not referred to any statute or constitutional provision denying this right. In the absence of such prohibition, a municipality, no less than a private corporation, engaged in the operation of a public utility is entitled to a fair profit. In the operation of a public utility, a municipal acts not in a governmental capacity as an arm or agency of the sovereignty of the State, but in a proprietary or business capacity. I've been carrying this around in my phone for a while."

Chair Dominguez said it's something you've looked at extensively, and not something you just looked at this afternoon.

Mr. Brennan said, "And I assume that the Ordinance that's on the books that says you can transfer but only this much was enacted with the same legal advice, that it is legal."

Chair Dominguez asked if she has seen the policy being presented by management in the Budget Book.

Ms. Brennan said, "I have, I'm sure I've seen it..."

Chair Dominguez wants to be sure that what is being presented is consistent with your legal assessment.

Ms. Brennan said, "It seems to be. It seems to be consistent with the theory, and I would say that, because the existing Ordinance limits the amount, you would have to amend the Ordinance to conform with your wishes in terms of how much you wanted to transfer, but it is right now a limiting Ordinance."

Chair Dominguez asked Mr. Rodriguez how much the General Fund owes Utilities.

Mr. Rodriguez said, "That can be a very long conversation or a very brief one. If by owe, you mean the free service, for example, that Wastewater, Solid Waste and maybe other sort of lenient billing that the utility offers the General Fund, etc., that could be many millions of dollars over the years. I sent you Memo explaining how in Wastewater and Solid Waste, that's about \$900,000, very generally the calculation there.

Mr. Rodriguez continued, "The person who keeps an assiduous watch of that is Nick Schiavo. He's a very good advocate for the Water utility. He could probably tell you more. The other part is the positions, these 19-20 positions that are being talked about. That print-out that you got from Nick, which you got from us by the way. That's generally how we came to this \$900,000. As I explained to others, Nick and I have a friendly disagreement as to exactly what's that calculation. I believe it's less. I believe the City actually pays, some of those positions when you look at them more closely, you're going to find them to be utility-related and some of them may very well not be, but we're going to let you decide and provide information to you on that. So if you took all of that together to answer your question, Council. On an annual basis, in the neighborhood of the \$3 million."

Chair Dominguez asked, if we don't approve this policy, what are the options to balance the budget, besides cutting positions, laying people off and raising taxes.

Mr. Rodriguez said, "That's exactly what you would be doing. And look, we didn't offer this thing not thinking a lot about it... no no, there was a lot of thinking that went along with it. And we didn't offer it, also taking into account the possibility of tax increase, what that would do, and perhaps even cutting things out there significantly. And so we came to thinking if you will, that this is the best of evils, or the worst of evils, excuse me. Because first of all it's a standard practice, this is not an unusual thing. What you have in front of you is not a radical idea by any means. The litigation Kelley was talking about is 1970s. These issues have been going on for a long time. It's just the idea that if this was a private company and had the right to block the streets, if there was flooding in the streets and business was interrupted, etc., all that sort of stuff that would be okay. I just can't believe that you here, over time would not come to think that no, this company needs to pay a higher franchise fee than the cable company or the phone company which is the 2%. And so, based on all that thinking, we finally decided to recommend that this was the best foot forward at least at this time, and to reserve possibly an increase for taxes, or talk about that for some time in the future when we've got a better look at what the economy was going to be in the future, and also when you got a better look at all of the CIP. And so that's how we came to this decision. It was done very soberly, very seriously with the City's finances [inaudible].

Chair Dominguez asked Mr. Snyder if he would agree that in some ways we've done this in the past, maybe not specifically as the policy as written and proposed, but in some form or fashion.

Mr. Snyder said, "Mr. Chair, I would say yes. And I think Oscar had explained this early on, probably on the first day of budget discussions. We were going through the policies and one of the goals is to be transparent, to bring it to the forefront and say not only have we done it in different forms and fashions, we're still doing it and we'd rather bring it to the forefront and say let's agree on the fact that

we're doing it. Let's study it more as we talk through these budget discussions on the number of staff that are allocated, where, how they're allocated and what the services are and do a level of service study. All that, we're agreeable that yes, that needs to be done. Can it be done this week, next week, no. it's going to take time to do that. But let's be realistic on having a conversation of what percentage could or should be this year, that's what's being proposed. Next fiscal year these policies will be brought back before you as well, and presumably throughout the year, we'll have that discussion and evaluation done, so we can have the further discussion of, is that the right percentage, is it not compared to more levels of service and actual costs and have a more detailed conversation is what our approach is."

Chair Dominguez said we've been doing it, and some Councilors who are opposed to it have supported it in the past. He asked if the administration is committed, in terms of the difference between a rebate and a reduction, not that we should limit, but the rationale right now.

Mr. Snyder said from the standpoint of issuing a rebate and the challenges of whether it's cutting a check, or crediting the bill, or calculating the percentage, or if they're past due – whatever the status is of each individual account. If this were to move forward, his recommendation would be that we explore the idea of a rate reduction that would be flat across the board, would not interfere with the tiered structure and the water conservation measures in place and incentives, but rather look at a simple rollback of a rate increase and what that would be across the board.

Chair Dominguez said it's a tricky situation because we want to continue the policies we have in place with regard to water conservation. We don't want to provide an excuse for people to use more water than they should because they can afford it. He said a lot of discussion has to happen. He said the rates are incorporated into the capital improvement plan for water needs to be discussed about what that looks like and how it might change our fees.

Councilor Maestas said he would urge caution about making any changes at this point, because there are a lot of issues that are developing that could impact the water fund financially. One of which is the asset management Councilor Rivera is pushing through his legislation. He thinks we'll take a more comprehensive look at the water enterprise from an asset management standpoint, which could translate into greater emergency reserves and infrastructure reserves, and perhaps a surplus above and beyond covering the debt. We should wait to see the impact of the recommendations on the water fund balances. The other issues is there are serious policy changes coming from the OSE which could cost the City millions and millions of dollars. He urges the Council to be open to the scenario of what it would take for the Water Fund to be self-sufficient without the GRT subsidy, a hypothetical test. This is a windfall for the public in that we're taking a source of funds with great versatility for infrastructure investment in other areas, where we can't spend water fund revenues on other non-water fund related purposes. Without raising taxes, we use existing taxes used for the water fund, and we assess if it can be self sufficient, and if it is, without the need for water rate increases above those anticipated in FY2020-2021. He has legislation coming forward to formalize the water transfer policy. He urges the Finance Committee to approve the budget with that policy.

Chair Dominguez said he agrees completely, but all of this needs to be discussed by the Governing Body. He said there a lot of funds that need a policy debate – Transit, for example. He said we need the separation as well as the flexibility to move outside however it is segregated.

Councilor Lindell said, "I wish I could tell you that I'm comfortable with this and that I support it, but at this point I don't and I'm not. I'm not comfortable with a rebate, or rolling back rates. I don't want to do anything to encourage people to use more water. If we could keep rates stable for some number of years, that is the best service to the citizens. I realize that not doing this makes us look at some very very tough options in this budget, which, as Mr. Rodriguez said, probably comes down to cutting services or increasing taxes. And we may have to entertain some of those ideas. 12% seems excessive to me. We only ask, for example the cable and telephone utilities, have a 2% franchise fee. We don't ask other areas to pay in lieu. So I think as you said Chair, we're not done discussing this and it's the one sticking point of the budget for me. I wish it wasn't, I wish it was much easier and we could move this along quickly, but at this moment, I just cannot support this. So that's where I am with it today.

Councilor Trujillo said when we had this discussion, back when we ver voting on this, and Councilor Ortiz compromised on 4% because this is exactly what he said was going to happen, this surplus. And now we have it. He said we can't give a rebate, noting we balanced the deficit 4-5 years ago with the water fund. He doesn't know what will happen in the next 3-5 years, and it is always good to have money for a rainy day. At the same time, his concern is in raising the rates, he thinks we can ride the course over the next vew years. He has already heard from constituents asking for a rebate or to do something. He tells them it happened and it will be the Council's decision as to how to use the money, commenting it has to be used in the best interest of the community which he knows is what will be done.

Councilor Ives said, "Kelley, I presume that California case from San Capistrano is distinguished by virtue of the fact of California Proposition #218 that allowed the taxpayers group there to sue the tiered water rate at that water company successfully."

Ms. Brennan said, "Councilor, you have me there. But I didn't see anything that contradicted this in New Mexico law."

Councilor Ives said and that would be a distinction because it relied heavily on the proposition that had been passed and Ms. Brennan said, "Correct, that was one of the same cases that discussed the tax versus fee provision which is central to this case as well."

Councilor Ives said it is interesting that only the past 2 weeks have we heard the suggestion about the policy of charging the Water utility as if it were a private entity. Because, what that suggests is that is something that has been being done for years, functionally. He said, "I can't say I had any recognition or knowledge that we were paying 20 different positions out of the funds coming in through the rates that were being paid by our water customers. And this, I will say, the challenge I have had with our budgeting process, and I would hope to high heaven that next year it is not the case. And I've said I'm glad Oscar is here, because I finally feel there is some transparency in how we do our budgeting that I have just never felt before. And I look at this as an example."

Councilor Ives continued, "I have a friend in Santa Fe who for years has said, you know we have the second highest water rates in the country, what are you doing. And unfortunately, if we are charging rates and covering people all over different parts of the City, responding to them saying well it's a matter of conservation. All of a sudden all of the words out my mouth to explain why this makes sense, all of a sudden are that much garbage. And I hate being put in the position as being a person who is talking to constituents, the people who elect everybody on this Council, in ignorance, or trying to make excuses for something that was done, or saying we just didn't know. That's not something that works for me."

Councilor Ives continued, "So know we have 16-17 days before we have to submit our budget to the State, I think we're too late in the game to do anything terribly constructive, other than look to put forth a balanced budget on these measure. But know by the time we get into the process next year, I would love to understand how we use all these funds. Stormwater would be another one. I understand we do pay 5-6 or more people out of the Stormwater Fee and I don't know where they work across the City budget, but I'm hoping it's all on stormwater issues which is \$3.5 million at the rate of 1½. I was given a wrong figure, but in any event if 20 people is \$900,000, then presumably that's a group of about 30 people, and if we only have 5-6, I want to understand where these funds that we collect are going on annual basis if we we're collecting them for specific purposes. I think we have to be totally honest and totally transparent on how we are using our funds."

Councilor Ives continued, "I'm more than willing to make hard decisions in terms of how we allocate those on expenses across the city or what programs we actually choose to support or not support, based on our revenues. But what I cannot just tolerate is doing it out of ignorance and being led down a path where I really don't think I understand what I'm doing, and I hate to say that. So know that I'm disappointed in our budgeting process for that reason. I look forward to working with everybody here to correct that. Know that again, that transparency, honest in how we're doing it is critical, from my perspective, to everybody up here making the informed decision which is the hallmark of what we need to be doing as Councilors. If we cannot do that, we should just resign our seats, go home and be done with it. We count on staff to make sure we do understand all these issues. Again, hard decisions, I think we're perfectly capable of making. I have no problem in making those in intelligent ways, but I can only do it if I understand all the information."

Councilor Ives continued, "I'll say it again. I'm disappointed it's been this late in the game that we are talking about these issues. I'm disappointed we weren't talking about them the first year I came on Council. And I will say that I will work very hard to make sure we are talking from that transparency perspective going forward. And I don't mean to belittle the difficulty of the job staff does in bringing forward a balanced budget or a budget that makes sense. But your job functionally is to really inform us, make sure we are fully cognizant of the issues, what we need to do, what the effects of what we do would be, but we are called upon I think ultimately, to make some of those decisions. So you have to help us make informed, intelligent decisions."

Councilor Dominguez said he appreciates that Councilor Ives and Mr. Snyder have said many times, "the decision is yours as policymakers." We haven't had that luxury in the past, it's been "interesting," I'll just put it like that nicely.

6. **REQUEST FOR APPROVAL OF RESOLUTION ADOPTING CITY OF SANTA FE'S OPERATING BUDGET AND ORGANIZATIONAL CHART FOR FISCAL YEAR 2015-2016**

A copy of City of Santa Fe Resolution No. 2015, *A Resolution Adopting the City of Santa Fe Fiscal Year 2015-2016 Annual Budget*, introduced by the Finance Committee, is incorporated herewith to these minutes as Exhibit "5."

MOTION: Councilor Maestas moved, seconded by Councilor Rivera, moved to approve the Operating Budget and Organizational Chart for the fiscal year 2015/2016 budget.

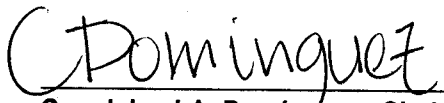
FRIENDLY AMENDMENT: Chair Dominguez would like to amend the motion to add the changes we've made and the Resolution affirming the current tax rate [Exhibit "6"]. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

DISCUSSION: Chair Dominguez thanked the Finance Committee, the Governing Body, the staff, everyone from the City Manager to every single City employee for the work they've done. He thanked the Committee and said, while these things are gruel and tough, they are certainly a learning experience. He thanked the public for participating in the public hearings. He said the budget is something over which we have the most control and has the most significant impact on the day to day operations and the service we provide to the committee.

VOTE: The motion was approved on a voice vote, with Councilors Trujillo, Rivera and Maestas voting in favor of the motion and Councilor Lindell voting against.

8. **ADJOURN**

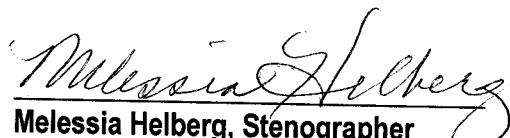
The meeting was adjourned at approximately 7:00 p.m.


Carmichael A. Dominguez, Chair

Reviewed by:


Oscar S. Rodriguez, Finance Director

Department of Finance


Melessia Helberg, Stenographer

SUMMARY OF PARKING FUNDS (5150, 5158) - Scenario #2: Parking Assumes 30% of Convention Center Debt for Garage With Phased/Gradual Increase Beginning FY 14/15 (approved by Finance Committee 5/5/14)

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Cash - Parking Funds	945,801	856,880	1,330,373	858,500	605,226	(31,277)	(1,037,210)	(2,069,059)	(3,125,309)	(4,212,582)	(5,332,759)	(6,485,715)
RESOURCES - Parking Funds												
-Parking Fees	3,766,169	4,192,333	4,099,380	4,392,963	4,513,769	4,637,898	4,765,440	4,896,490	5,031,143	5,169,500	5,311,661	5,457,732
-Parking Fines	602,847	482,760	556,079	600,000	606,000	612,060	618,181	624,362	630,606	636,912	643,281	649,714
-Reimbursed Expenditures	249,805	312,330	399,805	371,720	376,047	377,903	379,787	384,222	386,163	388,133	392,681	394,711
-Interest/Other	13,705	96,616	3,553	18,426	18,610	18,796	18,984	19,174	19,366	19,560	19,755	19,953
-Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESOURCES	4,632,527	5,084,039	5,058,817	5,383,109	5,514,427	5,646,657	5,782,392	5,924,249	6,067,279	6,214,105	6,367,379	6,522,109
EXPENSES - Parking Funds												
-Salaries/Benefits	2,764,056	2,926,951	3,123,022	3,190,183	3,317,790	3,450,502	3,588,522	3,732,063	3,881,345	4,036,599	4,198,063	4,365,986
-Contractual Services	299,113	281,905	390,169	293,175	296,107	299,068	302,058	305,079	308,130	311,211	314,323	317,467
-Utilities	84,854	100,775	102,300	102,300	103,835	105,392	106,973	108,577	110,206	111,859	113,537	115,240
-Repairs & Maintenance	83,040	89,663	175,792	163,700	165,337	166,990	168,660	170,347	172,050	173,771	175,509	177,264
-Supplies	178,103	168,680	243,003	242,179	244,601	247,047	249,517	252,012	254,533	257,078	259,649	262,245
-Insurance	117,944	208,005	110,981	142,395	145,243	148,148	151,111	154,133	157,216	160,360	163,567	166,838
-Other Operating Costs	895,286	1,001,939	1,245,696	1,093,529	1,104,464	1,115,509	1,126,664	1,137,931	1,149,310	1,160,803	1,172,411	1,184,135
-Capital Outlay	19,697	-	42,000	-	20,000	20,200	20,402	20,606	20,812	21,020	21,230	21,443
-Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out:												
-Rent - Market Station [5856]	-	-	67,009	63,941	63,941	64,580	64,580	65,226	65,226	65,878	65,878	66,537
-Video Surveillance CIP Proj. (43055)	-	-	30,718	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	4,442,093	4,777,918	5,530,690	5,636,383	6,150,930	6,652,590	6,814,242	6,980,498	7,154,552	7,334,281	7,520,334	7,712,500
Ending Cash - Parking Funds*	856,880	1,330,373	858,500	605,226	(31,277)	(1,037,210)	(2,069,059)	(3,125,309)	(4,212,582)	(5,332,759)	(6,485,715)	(7,676,105)

*Includes accrual adjustments

Reimb Exp:					proj ---->								
SF County Permit Reimb. portion	-	62,524	150,000	121,915	123,743	125,600	127,484	129,396	131,337	133,307	135,306	137,336	1.5% annual growth 15/16 onward
NCRTD - Shuttles	249,805	249,805	249,805	249,805	252,303	252,303	252,303	254,826	254,826	254,826	257,375	257,375	1% triennial growth 15/16 onward

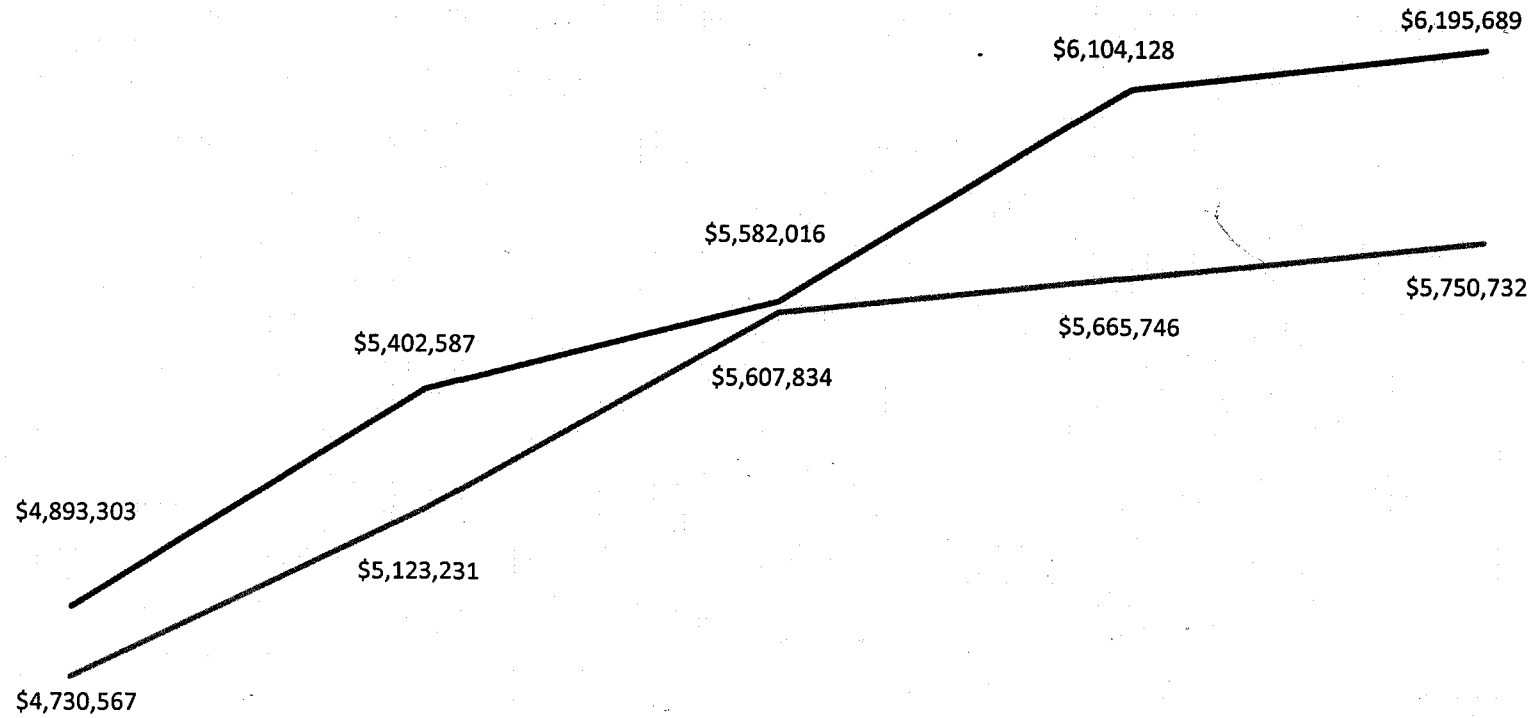
Debt Service:													
Convention Center Debt				3,449,813	3,448,063	3,450,513	3,452,513	3,448,413	3,452,413	3,452,338	3,453,888	3,451,150	
(30% Parking Garage portion per Helene)													

--Allocation of DS to Parking done as transfer from 52151.700100 to 51100.600100 (debt paid from 52102)
 --entered in 14/15 CM Expansion, FC Base

"Exhibit 2"

Parking Division Revenue and Expenses

— Expenses — Revenue



DEBT SERVICE PAYMENTS

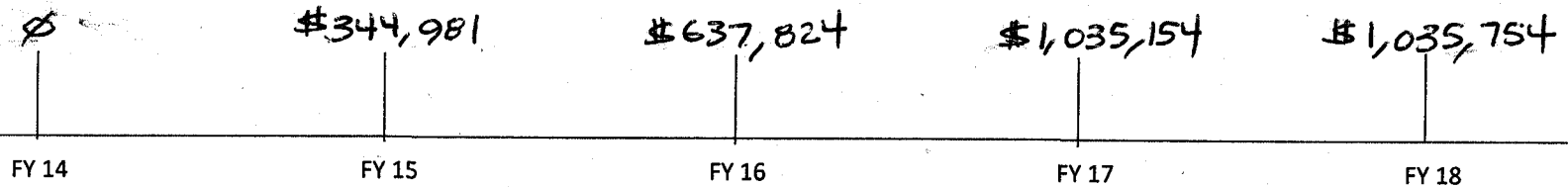


Exhibit "3"

City of Santa Fe FY 2015-16 Operating Budget Plan
INFORMATION TECHNOLOGY & TELECOMMUNICATIONS (ITT) DEPARTMENT

Profile: The ITT Department provides and supports a broad range of information technology systems and services to meet the evolving needs of the workforce and customers for all City Departments. The services provided include Business Applications, Email, GIS & Mapping, Personal Computing, Data and Voice Networks, Radio Devices & Systems, Vehicle Technology, Phones and Unified Communications, Printer and Copiers, Account Management, Security, Servers, Storage, Back-Up and Web Sites. The current portfolio of technology used and supported includes 30+ business applications, 2,000 personal computers, 100 network switches-firewalls-routers, 80 servers and 35 connected work sites. The sophistication of technology is high and ranges from vehicle video systems to court case management systems.

Current Position: The ITT Department has not been well positioned for success. It has suffered from a lack of attention, resources and professional management for the past several years. The evidence is clear; few standard processes are in place, staffing is inadequate to maintain, much less enhance, the current technology in place and customers are not satisfied with the level of service provided. The Department has been operating in an ad-hoc and firefighting mode for a long time which has compromised performance and created a stressed workforce.

New Direction: Faced with these challenges, the ITT Department Director is moving the IT organization in a new direction. The new direction includes the implementation of critical processes that reflect best practices, these include:

- **IT Governance** – Department leaders provide oversight to IT investment and policy decisions
- **IT Strategy** – A long term (3 years) IT Strategy is in place to guide IT people, process and technology initiatives
- **IT Project Portfolio Management** – Project decisions are based on business cases and resource availability
- **IT Performance Management** – Key performance measures are in place to monitor and improve performance

The **Vision** of the Department is to be a trusted technology advisor to the City; achieved by implementing best practices in operational processes and management, becoming a more capable, collaborative, and agile department, which consistently provides excellent technology services to support the City Mission and Vision. In order to meet the current and future technology needs of the City, the ITT Department needs a larger workforce and expertise in specific areas.

Budget Expansion – Staff: The primary objective of the budget expansion request is to increase staffing by 18 FTEs over a three (3) year period; an increase of 6 positions each year for these years. A comparison of City IT staffing levels against industry benchmarks shows a significant gap in current staffing levels.

IT Staffing Measure	City of Santa Fe	State-Local Gov Average (Gartner Group)	MidSize Org Avg. \$250- \$500m (Gartner Group)
IT FTEs as % of Total FTEs	1.8% (very low)	4.3%	3.8%

At 4.3%, the City IT Workforce = 65 FTEs. Recommendation - Add 18 FTEs. Current FTEs = 27, Proposed FTEs = 45

Schickel "4"

City of Santa Fe FY 2015-16 Operating Budget Plan
INFORMATION TECHNOLOGY & TELECOMMUNICATIONS (ITT) DEPARTMENT

The staff expansion plan is guided by a reorganization plan (Appendix A) that is summarized below.

Section	Proposed FTEs	IT Staffing Strategy	IT Strategy Pillar
Business Applications	18 (+9)	IT Business Liaisons work directly with Department staff to position IT systems to improve operational efficiencies and constituent services	e-Government: Improving services to constituents and increasing transparency of City operations. Business Application Modernization: Improving the functionality and value of core business applications, thereby supporting revenue growth and cost control. Workforce Productivity: Improve staff productivity and streamlines work processes, thereby reducing costs, increasing revenue, improving effectiveness.
Infrastructure	13(+3)	New competencies in disaster recovery, server, storage and wireless technologies	Infrastructure Modernization: Implementation of reliable, capable, secure and accessible critical infrastructure to support City operations and constituent services.
IT Policy & Compliance	6 (+4)	New competencies in security, compliance, financial management.	IT Operational Excellence: (see Vision above)
End User Support	6(+1)	Improves responsiveness to and communications with customers	IT Operational Excellence: (see Vision above)
IT Administration	2(+1)	Improves and facilitates customer access to IT resources	IT Operational Excellence: (see Vision above)

Personnel Summary

	FY 14-15	FY 15-16
FTEs	25	29

City of Santa Fe FY 2015-16 Operating Budget
INFORMATION TECHNOLOGY & TELECOMMUNICATIONS (ITT) DEPARTMENT

FY15-16 Goals		
Business Application Services Select a new Enterprise Resource Planning (ERP) system to automate and improve financial and human resource processes	Network Services Complete assessment of data center modernization alternative to meet the disaster recovery and business continuity requirements of the City	Radio Services Upgrade the City Land Mobile Radio System (LMR); core components of the current system have reached end of life
Upgrade the online business renewal process to incorporate living wage compliance tracking	Reduce carbon footprint and costs by migrating City servers to a virtualized platform	Issue 90 additional body cameras for the Police Department in support of their efforts to improve accountability and oversight
Design and implement the interface between T2 Parking and Municipal Court systems	Replace and upgrade network and server hardware and operating platforms that have reached end of life	Install 20 mobile radios in Fire Department units
Enhance department web sites to provide each access the City information and services	Replace and upgrade database platforms that have reached end of life	Upgrade 160 hand-held radios for the Police Department to phase out end-of-life radio technology
Integrate the new Water Utility metering system and the new Water Utility billing system to support wireless remote meter reading	Upgrade the data cabling in the Main Library and expand and improve wireless services	General Operations Hire an Information Security Officer to establish and enforce security policy and procedures
Develop business cases for high priority application upgrades and enhancements	End User Services Establish a full time help desk with two (2) staff	Review and revise IT job classifications to support technology specializations needed by the City
GIS Services Modernize internet mapping services with to improve employee and public access to real-time data	Improve incident and service management process	

Staff Expansion – New Position	Position Responsibilities
Enterprise Applications Manager – Manages shared enterprise systems-applications (ERP, Email, GIS, Web Site, 311, Email, ePayments)	<ul style="list-style-type: none"> Provides IT Leadership to Enterprise System Investments Establishes Performance Measures and Service Level Agreement for Application Services Manages Application Support & Maintenance Contracts and Services
IT Business Liaison (2-3) – Works directly with Department managers and staff to improve operational efficiencies and constituent services using IT systems	<ul style="list-style-type: none"> Leads business case development for system enhancements and replacements for assigned Departments Identifies opportunities to maximize value from current systems/applications Identifies user training gaps and develops training plans Leads process improvement, user testing and training activities
Applications Software Specialist – Supports public safety systems-applications (DigitalAlly, TRACS, CopLogic, Telestaff, FullCourt, VoiceWave, Sungard Public Safety, Fire & EMS, LGMobile)	<ul style="list-style-type: none"> Responds to support requests from system users Provides technical support on projects (data conversion, reports, interfaces, configuration, customization, testing) Provides routine maintenance on systems-applications
Information Security Officer – Leads the development and support of security initiatives. Directs the planning and implementation of IT system defenses against security breaches and vulnerability issues. Responsible for auditing existing systems, while directing the administration of security policies, activities, and standards.	<ul style="list-style-type: none"> Establish, monitor and enforce information security policies and procedures Lead remediation of vulnerabilities identified from annual security assessments Lead Payment Card Industry (PCI) security compliance activities Establish a budget for information security operations

City of Santa Fe – IT Return on Investment

Source: City of Santa Fe – High Level IT Strategy & Roadmap

e-Government (EG): Improving services to constituents and increasing transparency of City operations, through easier access to information and services. This will position the City of Santa Fe as a leader in e-Government, and make it an attractive destination to visit and do business.

Initiative	Cost	Benefit
Court Data - analog to digital conversion	Medium	Medium
City related documents	Low	High
Mobile app for voters	Low	Low
Parking/Business permits/inspection licenses	Medium	High
Utility meter interface	Low	High
Utility billing online payments	Low	Low
Park permits / Special events permit online application	Low	Medium
Collection and management of Business data	Low	Medium
GIS data / location-aware services	Low	High
Transit information and transactions (bus pass, next bus, airport fee)	Low	High
E-filing campaign financials and visibility	Low	Low

Example: Support for online permits and licenses. Estimate of 3,300 on-line construction permits with 40% labor savings or \$50k-\$75k per year.

BENEFITS

- Improved transparency
- Improved Voter engagement
- Constituent and business friendly services
- Promote business in the city
- Location-aware capabilities

COSTS

- Mostly OpEx costs, as the application and infrastructure costs are included in other Strategic Pillars

City of Santa Fe – IT Return on Investment

Workforce Productivity (WP): Provisioning of technology solutions that increases city staff productivity and streamlines work processes, thereby reducing costs, increasing revenue, improving effectiveness, and supporting decision-making.

Initiative	Cost	Benefit
Workflow/work order system for multiple departments	High	High
EDW/BI tools	High	High
Mobile apps / end user devices / MDM solutions	Medium	High
Web apps for teleworkers	Low	Low
Payroll automation	Low	High
Service Cost accounting, for planning purposes	Medium	High
Implement location-aware functionality in application	Medium	High
ECM / Records Management	High	High
Intranet (e.g. Sharepoint)	Medium	Medium
IT training for staff	Medium	High
Video storage	Medium	High

Example: Payroll Process Improvement - 5-6 FTEs focused on Payroll could be reduced by 40+% (\$100k per year). Reduce printing, reduce timesheet error rates, reduce payroll monitor activities by making employee and supervisor accountable for accurate time reporting.

BENEFITS

- Faster, streamlined services
- Cost efficiencies – ability to redeploy staff performing manual operations
- Collaboration between departments
- Enhanced Public Safety (video storage)

COSTS

- Electronic Data Warehouse / Business Intelligence, as well as Work Order system across the city departments will require CapEx and OpEx.
- Assumes ERP is upgraded

City of Santa Fe – IT Return on Investment

Business Application Modernization (BA): Improvement in the functionality and value of core business applications used by City departments, thereby supporting revenue growth and cost control. Cloud solutions will continue to be a central theme of future modernization initiatives.

Initiative	Cost	Benefit
ERP replacement	High	High
CRM-311 work order system	Medium	High
Land Use replacement / upgrade	High	High
Website replacement	Medium	Medium
CVB Information System	Medium	Medium
Water Metering and Billing	Low	Medium
City Works upgrade for Windows 7. Consider expansion of the system	Medium	Medium
Parking Access/Revenue Control	Medium	High

Example: ERP has evolved from merely a record of transactions to the main data repository for the organization. The incorporation of analytics and workflow-document management capabilities will provide cost savings and enhance decision support.

BENEFITS

- ERP replacement will provide additional capabilities
- Streamlined interaction with constituents (311, Website, Water Metering)
- More functionality for Land Use Department
- Increased revenue from CVB, and parking ticket management

COSTS

- Capital intensive initiatives; with significant OpEx due to need to manage vendor staff
- City Works is a feature-rich system that may be expanded to other functions, at minimal cost.

City of Santa Fe – IT Return on Investment

Infrastructure Modernization initiatives (IM): Implementation of reliable, capable, secure and accessible critical infrastructure to support City operations and constituent services, through replacement of aging equipment and facilities by a combination of in-house and Cloud-hosted solutions.

Initiative	Cost	Benefit
Data Center upgrade	Medium	High
Storage upgrade (Enterprise grade SAN)	High	High
Radio System upgrade	High	High
I Series - mission critical hardware upgrade	High	Medium
Server Virtualization	High	High
Increase Cloud connectivity / core switching upgrade	Medium	High

BENEFITS

- Federal funding of City programs is conditional upon a Data Center upgrade
- Storage systems are running out of space, Enterprise-grade Storage is necessary to match future growth
- Radio – current system is no longer supported by manufacturer
- Virtualization optimizes investment in new servers and also reduces cost for new projects

COSTS

- Capital-intensive initiatives
- Foundational “heavy-lifting” activities for building out services to constituents as well as city staff
- Assumes that specialist IT staff will be available to work on this list of initiatives

City of Santa Fe – IT Return on Investment

IT Operational Excellence (OE): The IT department will implement and use Best Practices in operational processes and management, becoming a more capable, collaborative, and agile department, which consistently provides excellent technical services to support the City Mission and Vision.

Initiative	Cost	Benefit
IT Knowledge Base	Medium	High
Service Desk	Medium	Medium
Merit-based incentives	Medium	High
Project Portfolio Management	Low	High
Project Management	Low	High
Disaster Recovery Planning and execution	High	High
IT Risk Management	Low	Medium
IT Security	Medium	Medium
Data Governance - classification, retention	Medium	Medium
IT Policies and Procedures	Low	Medium
Change Management	Low	Medium

BENEFITS (see next page)

- Reduced Enterprise Risk
- Faster completion of projects, work orders
- Consistent customer service to city
- Collaborative and partnering approach
- Continued federal funding

COSTS

- Mostly OpEx costs
- Will require staffing changes by addition of 18 FTE (already requested)
- Will require reorganization into Business Liaison model

City of Santa Fe – IT Return on Investment

IT Operational Excellence initiatives – Business Benefits

- **IT Knowledge Base:** lesser reliance on individual IT staff for the majority of commonly asked questions and issues
- **Service Desk:** a single point of contact for all service requests and incident reporting, with consistent service level agreements and methodologies
- **Merit-based incentives:** IT staff morale
- **Project Portfolio Management:** a standardized and strategic approach toward assessment of project funding requests. Ensuring that City funds are going toward the most impactful projects.
- **Project Management:** best practice implementation to bring exciting new capabilities to the city and constituents, on-time and on-budget
- **IT Policies and Procedures:** Improves consistency, reduces risk and uncertainty and time spent in clarifying from staff
- **Disaster Recovery Planning and execution:** minimizing business disruption, time and resources spent in recovering from a disaster (e.g. natural causes or man-made)
- **IT Risk Management:** Mitigating the vulnerabilities of the city to IT risk events (people, process, or technology)
- **IT Security:** related to Risk Management (above), specifically toward malicious action on the city infrastructure, system availability, and/or data integrity
- **Data Governance:** a prerequisite for any classification and storage effort
- **Change Management:** Reduces risk of unforeseen downtime from poorly executed changes, by bringing in a rigorous review and planning discipline into all technical changes

City of Santa Fe – IT Return on Investment

IT Strategic Roadmap

Strategic Pillar	Initiative	Cost	Benefit	CBA Score	2015				2016				2017				2018			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
IT Infrastructure Modernization	Data Center upgrade	Medium	High	15																
	Storage upgrade (Enterprise grade SAN)	High	High	5																
	Radio System upgrade	High	High	5		Planning														
	J Series – mission critical hardware upgrade	High	Medium	3																
	Server Virtualization	High	High	5																
	Increase Cloud connectivity / core switching upgrade	Medium	High	15																
Business Application Upgrades	ERP replacement	High	High	5																
	CRM-311 work order system	Medium	High	15																
	Land Use replacement / upgrade	High	High	5																
	Website replacement	Medium	Medium	9																
	CVB Information System	Medium	Medium	9																
	Water Metering and Billing	Low	Medium	15																
	City Works upgrade for Windows 7. Consider expansion of the system	Medium	Medium	9																
Parking Access/Revenue Control	Medium	High	15																	
IT Operational Excellence	IT Knowledge Base	Medium	High	15																
	Service Desk	Medium	Medium	9																
	Merit-based incentives	Medium	High	15																
	Project Portfolio Management	Low	High	25																
	Project Management	Low	High	25																
	Disaster Recovery Planning and execution	High	High	5																
	IT Risk Management	Low	Medium	15																
	IT Security	Medium	Medium	9																
	Data Governance - classification, retention	Medium	Medium	9																
	IT Policies and Procedures	Low	Medium	15																
Change Management	Low	Medium	15																	
E-Government	Court Data - analog to digital conversion	Medium	Medium	9																
	City related documents	Low	High	25																
	Mobile app for voters	Low	Low	5																
	Parking/Business permits/inspection licenses	Medium	High	15															ing & Permits	
	Utility meter interface	Low	High	25																
	Utility billing online payments	Low	Low	5																
	Park permits / Special events permit online application	Low	Medium	15																
	Collection and management of Business data	Low	Medium	15															Use system	
	GIS data / location-aware services	Low	High	25																
	Transit information and transactions (bus pass, next bus, airport fee)	Low	High	25																
E-filing campaign financials and visibility	Low	Low	5																	
Workforce Productivity	Workflow/work order system for multiple departments	High	High	5																
	EDW/BI tools	High	High	5																
	Mobile apps / end user devices / MDM solutions	Medium	High	15		Ongoing implementation as core systems are deployed														
	Web apps for teleworkers	Low	Low	5																
	Payroll automation	Low	High	25																
	Service Cost accounting, for planning purposes	Medium	High	15															er & EDW	
	Implement location-aware functionality in application	Medium	High	15		As systems are developed														
	ECM / Records Management	High	High	5																
	Intranet (e.g. Sharepoint)	Medium	Medium	9																
	IT training for staff	Medium	High	15		Ongoing as systems and infrastructure are deployed														
Video storage	Medium	High	15															department using video (Storage		

Appendix A –City of Santa Fe IT Staffing and Reorganization Plan

How Do We Compare against Industry Benchmarks?

I. IT Staffing Benchmarks:

Measure	City of Santa Fe	State-Local Gov Average*	MidSize Org Avg. *(\$250-\$500 Annual Budget)
IT FTEs as % of Total FTEs	1.8% (very low)	4.3%	3.8%

*Source: Gartner Group IT Budget Comparison Tool, IT Key Metric Data 2014 and 2015

At 4.3%, the City IT Workforce =65 FTEs, or 4.3% x 1,519 FTEs, compared to 27 FTEs

Findings and Recommendations:

A staffing and organization evaluation has been conducted and a reorganization plan developed.

Inputs: Department Meetings, IT Staff Survey, Business Stakeholder Satisfaction Survey, Gartner Group IT Research & Advisory Services, Info-Tech IT Advisory Services, CIO Peers in City Government, Review of Prior Assessments

Recommendation - Request for 18 new FTEs. Current FTEs = 27, Proposed FTEs = 45

Section	Proposed FTEs	IT Staffing Strategy	IT Strategy Pillar (from IT Strategy & Roadmap)
Business Applications	18 (+9)	IT Business Liaisons work directly with Department staff to position IT systems to improve operational efficiencies and constituent services	<p>e-Government: Improving services to constituents and increasing transparency of City operations, through easier access to information and services.</p> <p>Business Application Modernization: Improvement in the functionality and value of core business applications used by City departments, thereby supporting revenue growth and cost control.</p> <p>Workforce Productivity: Provisioning of technology solutions that increases city staff productivity and streamlines work processes, thereby reducing costs, increasing revenue, improving effectiveness, and supporting decision-making.</p>
IT Policy & Compliance	6 (+4)	New competencies in key areas: security-risk management, policy and compliance activities, financial management, project management	IT Operational Excellence: The IT department will be the trusted technology advisor to the City; achieved through Best Practices in operational processes and management; becoming a more capable, collaborative, and agile department.
Infrastructure	13(+3)	New competencies in key areas: disaster recovery, server and storage system support, wireless technologies	Infrastructure Modernization: Implementation of reliable, capable, secure and accessible critical infrastructure to support City operations and constituent services.
End User Support	6(+1)	Improves responsiveness to and communications with customers	IT Operational Excellence: (See above)
IT Administration	2(+1)	Improves and facilitates customer access to IT resources	IT Operational Excellence: (See above)

Appendix A –City of Santa Fe IT Staffing and Reorganization Plan

II. IT Staffing Plan by Section

Business Applications Division (9 new FTEs, 9 current FTEs) – 3 sections

***30 major applications are supported by 6 total IT staff today. ERP should have 3-4 FTEs by itself.**

Value: Improves understanding of and support for Department business processes and service delivery strategies. Allows IT to enhance and upgrade business critical applications on a regular schedule.

- **Enterprise Applications**
 - Departments: Finance, HR, City Clerk, Legal, Council, Constituent Services
 - Applications: JDEdwards E1, Cognos, Transform, Email, Web Site, Social Media, CRM, Active Payment Manager, Internet Mapping Services (IMS)
- **Public Safety Applications**
 - Departments: Fire, Police, Municipal Court, Emergency Planning
 - Applications: DigitalAlly, TRACS, CopLogic, Telestaff, FullCourt, VoiceWave, Sungard Public Safety
- **Business & Community Applications**
 - Departments: Public Works, Public Utilities, Transportation, Parks, Land Use, Asset Management, Housing & Community Development, Tourism, Community Services,
 - Applications: Sungard Community Development, Click2Gov, Selectron IVR, T2 Parking, ActiveNet, Library Management System (LMS), RouteMatch, Water Utility Service & Billing

Infrastructure Division (3 new FTEs, 10 current FTEs) – 2 sections

Value: Addresses capacity and competency deficiencies in 1) disaster recovery-business continuity, 2) server and storage system ops. and support, 3) wide area network (20+ sites)

- **Data Center Services** (servers, storage area network, backup and recovery)
- **Network Services** (radio, voice, data network services and technology)

Policy & Compliance Section (4 new FTEs, 2 current FTEs)

- **Value:** Addresses capacity and competency deficiencies in 1) information security risk management, 2) IT policy and compliance activities, 3) financial & budget management, 4) project management practices

End User Services (1 new FTE, 5 current FTEs)

Value: Addresses customer desire to reach IT immediately, improves communication loop with customers. Builds capacity for end user training services.

- **IT Service Desk** (business and after hours phone support, triage all break/fix calls, fulfill routine services requests, end user training)
- **Employee-Office Support** (PCs, printers, phones, software installation, mobile devices)

IT Administration (1 new FTE, 1 current FTE)

- **Value:** Provide administrative support for the IT Department. Improve communication and access to IT resources as needed.

Appendix A –City of Santa Fe IT Staffing and Reorganization Plan

III. IT Staffing Expansion by Fiscal Year

Focus Area	FY15-16	FY16-17	FY17-18
Business Applications Key Benefits: Evolve from a fire fighter to a trusted partner role in providing systems that evolve with the needs of Departments and constituents. Staffing Ratios: The current ratio of IT systems to IT staff is 30:6 or 5:1.	IT Business Liaison (3) – Works directly with Department staff to improve operational efficiency and constituent services using IT systems Enterprise Applications Manager – Manages shared business applications (ERP, Email, GIS, Web Site, 311) Applications Software Specialist – Supports public safety and public utility systems	Applications Software Specialist – Supports Business & Community Service Systems	Database Administrator – Installs, configures and supports database platforms Public Safety & Utilities Applications Manager – Manages Public Safety (Fire, Police, Courts) and Utilities business application services Business Applications Services Manager – Manages all business application services
Infrastructure Key Benefits – Modernize and support data and voice network systems and server systems. Staffing Ratios: The City data network has 35 connected sites and 83 network devices. IT staff supporting this large network is 1.5 FTEs. The current ration of IT servers to IT staff is 80:2 or 40:1.		Network Services Manager – Manages data network, voice network and radio services Storage Engineer – Designs, installs, configures and supports data storage systems	Server Engineer – Designs, installs, configures and supports server hardware and software
Policy & Compliance Key Benefits – Reduce risk and ensures quality using standards and procedures Staffing Ratios: The current ratio end user devices to IT staff is 2,000 to 4 or 500:1.	Information Security Officer – Establishes and leads compliance activities for security management policies and procedures	Policy & Compliance Analyst – Establishes-manages policies and procedures for all service areas	Policy & Compliance Services Manager – Manages financial, procurement, security, compliance and project management services
End User Services Key Benefits – Improve customer satisfaction with work order fulfillment (200/day)		Service Desk Specialist – Provides full time help desk services to all Departments.	
General Administration Key Benefits – Improve access to IT management team		Administrative Assistant – Provides administrative support to Department Director and management staff	Budget & Financial Analyst – Prepares financial documents, tracks budget performance

City of Santa Fe Business Application Inventory (April 2015)

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Application name (version)	Vendor Name	Business Owner	Process	Priority	Age (years)	# of users	Support (In-house, vendor)
Business & Community Applications (Public Works, Public Utilities, Land Use, Parks, Transportation, Housing & Community Development, Tourism, Community Services)							
RouteMatch		Transportation	Automated Routing System	Business critical		20	
Utility Billing	Denovo	Water Utility	Utility Billing System	Business critical	14	35	In house, Vendor, Contractor
Selectron - IVR Utility Billing	Selectron	Water Utility	Interactive Voice Response System	Business critical	6		In-house, Vendor
Sungard Community Development	Sungard	Land Use	Permit Processing/Code Enforcement/Inspections/Land Management/Planning & Zoning	Business critical	21	25	In house, Vendor
Selectron - IVR Land Use	Selectron	Land Use	Interactive Voice Response System	Business critical	9		In-house, Vendor
ActiveNet - Recreation		Recreation Division	Recreation Management System	Business critical			
Parking Management System	T2	Parking	Parking Citation and Parking Lot	Business critical	4	20	Vendor
Public Safety Applications (Fire, Police, Municipal Court, Emergency Planning)							
Fire & EMS Records Management System	Zoll	Fire	Fire & EMS Records	Business critical	5	170	In House, Vendor
Telestaff	Kronos	Fire	Staff Management System	Business critical	3	170	In house, Vendor
FullCourt Enterprise	Justice Systems	Municipal Court	Court Management System	Business critical	2	25	In house, Vendor
Voicewave	PhoneTree	Municipal Court	Telephone Based Court Notification System	Business critical	7		Vendor
Sungard Public Safety	Sungard	Police	Police Records/Mobile Data Browser/LG Crimes/Alarm Billing	Business critical	21	25	In house, Vendor
Digital Ally In Car Video System	DigitalAlly	Police	In car video system	Business critical	9	150+	Inhouse, Vendor
NCIC/LEADS	DPS	Police	NCIC Criminal Database	Business critical	6	150+	Inhouse, DPS
CopLogic	Coplogic	Police	Web-Based Citizen Reporting	Non critical	8		In house, Vendor
Traffic and Criminal Software (TraCS)	State DOT	Police	Traffic Records Management System	Business critical	5	170	Inhouse, State DOT, Vendor
LG Mobile	TEG	Police/Fire RECC	Mobile Mapping Software	Non critical	3	100	In house, Vendor
Enterprise Applications (Finance, HR, City Clerk, Legal, Council, Constituent Services, ITT)							
JD Edwards E1	Oracle	Finance	Finance/HR/Payroll/Budget/Procurement/AR/AP	Business critical	7	1500	In house, 3rd Party, Vendor
Transform	BottomLine Technologies	Finance	Custom Forms Creator (e.g. payroll checks)	Business critical	7	2	Vendor
Cognos	IBM	Finance	Custom Report & Query Writing Tool	Business critical	3	10	Vendor
GL Suites	Insight	Finance	General Ledger Data Inquiry Tool	Business critical	7	10	Vendor
Active Payment Manager	Active Network	Finance	Cashiering System	Business critical	4	20	In-house, Vendor
Web Site	Desert Elements	All	Web Site (Public, Intranet)	Business critical	1		In-house, Vendor
GIS	ESRI	All	ArcGIS Desktop Software for GIS Users	Business critical	2	10	In-house, Vendor
Internet Mapping System (IMS)	ESRI	All	Interactive Web-Based Mapping System	High	5		In-house, Vendor
Microsoft Windows & Office	Microsoft	ITT	PC Operating System - Office Productivity Suite	Business critical	5	2000	In-house, Vendor
Microsoft Exchange	Microsoft	ITT	Email	Business critical	2	1000	In-house, Vendor
AirWatch	VMWare	ITT	Mobile Device Management	Business critical	1	25	In-house, Vendor
McAfee	McAfee	ITT	PC Virus Protection	Business critical	1	2000	In-house, Vendor
Footprints	BMC	ITT	IT Work Order System	Business critical	8	30	In-house, Vendor
ScanMail		ITT	Email Virus Scanning	Business critical			In-house, Vendor
IronPort		ITT	Email Scanning	Business critical			In-house, Vendor
WSUS	Microsoft	ITT	Microsoft Software Patch Deployment	Business critical			In-house, Vendor
Messenger Plus		ITT	iSeries Status Reporting Tool	Business critical			In-house, Vendor
Itera	Vision Solutions	ITT	iSeries Mirroring Software	Business critical	5		Vendor

ITT Department - FY 2015-2016 Budget Request (CIP)

Contractual Services Budget Request Item	12028	32110	32138	Total
Network Analysis & Support	\$25,000			\$25,000
Phone System Support & Analysis	\$15,000			\$15,000
Disaster Recovery Testing	\$18,500			\$18,500
Subtotal- Infrastructure Contracts (Annual)	\$70,528	\$0	\$0	\$70,528

Critical Finance & HR Application Enhancements	\$50,000			\$50,000
Critical Business, Land Use, Water Utility Enhancements	\$30,000			\$30,000
Subtotal- Business Application Contracts (Annual)	\$80,000	\$0	\$0	\$80,000

Radio System Upgrade Planning and Design (consulting)			\$75,000	\$75,000
Data Center Modernization			\$1,000,000	\$1,000,000
Subtotal- Infrastructure Contracts (New)	\$0	\$0	\$1,075,000	\$1,075,000

Web Based GIS Mapping System Upgrade		\$50,000		\$50,000
ERP System Selection & Implementation			\$1,000,000	\$1,000,000
Subtotal- Business Application Contract (New)	\$0	\$50,000	\$1,000,000	\$1,050,000

FY 15-16 Budget (Request) Total	\$150,528	\$50,000	\$2,075,000	\$2,275,528
FY14-15 Budget (Actual) Total				\$223,518
(Variance)				\$2,052,010

Hardware & Software Budget Request Item	12028	32110	32138	Total
Network Equipment Refresh (Hardware)			\$215,000	\$215,000
File Server Equipmenr Refresh (Hardware)			\$60,000	\$60,000
File Server Equipment Refresh (Software)			\$40,000	\$40,000
Selectron IVR Upgrade (Hardware)			\$20,000	\$20,000
Click2Gov3 Server Upgrade (Hardware)			\$1,400	\$1,400
PC, Printer, Server Supplies (Hardware)			\$50,000	\$50,000
PC & Server Supplies (Software)			\$20,000	\$20,000

FY 15-16 Budget (Request) Total	\$0	\$0	\$406,400	
FY14-15 Budget (Actual) Total			\$84,342	
(Variance)			\$322,058	



City of Santa Fe

Organizational Chart FY 15/16

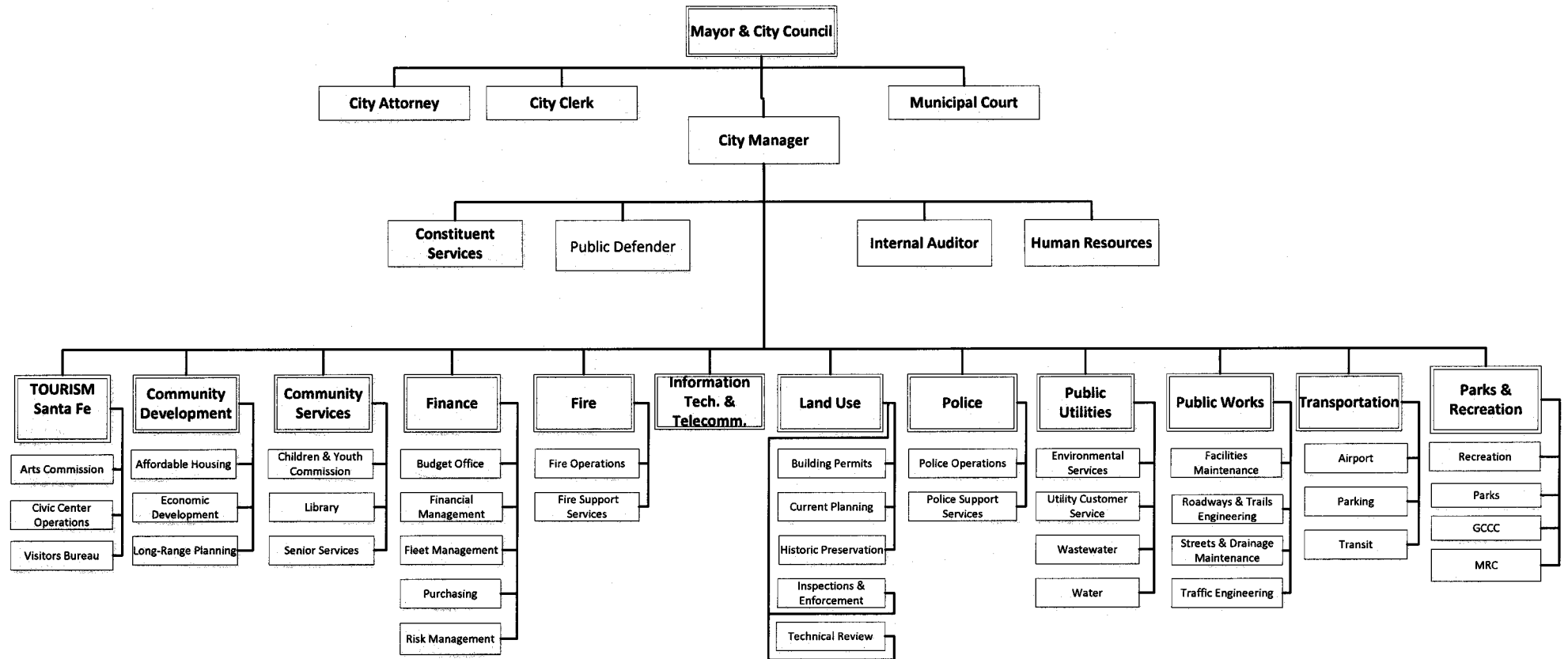


Exhibit 15

City Councilor
District 1
7

City Councilor
District 1
1

City Councilor
District 2
9

City Councilor
District 2
2

Mayor
8

City Councilor
District 3
4

City Councilor
District 3
6

City Councilor
District 4
5

City Councilor
District 4
3

Executive Assistant
10

Executive
Administrator
Assistant

Executive Admin. Assist.
27

City Manager
25

Asset Development
Asset Development Director
Property Manager

City Public Defender
City Public Defender
2135

Internal Auditor
Auditor
727

Public Information/
Multimedia Administrator
Multimedia
Multi Media
(1-2)
1788
2
2004

Constituent Services
Emergency Management
Emergency Prep. Coord.
2006
VACANT
Customer Service
Customer Service (1-2)
2006
2
2005

City Councilor
District 1

City Councilor
District 1

City Councilor
District 2

City Councilor
District 2

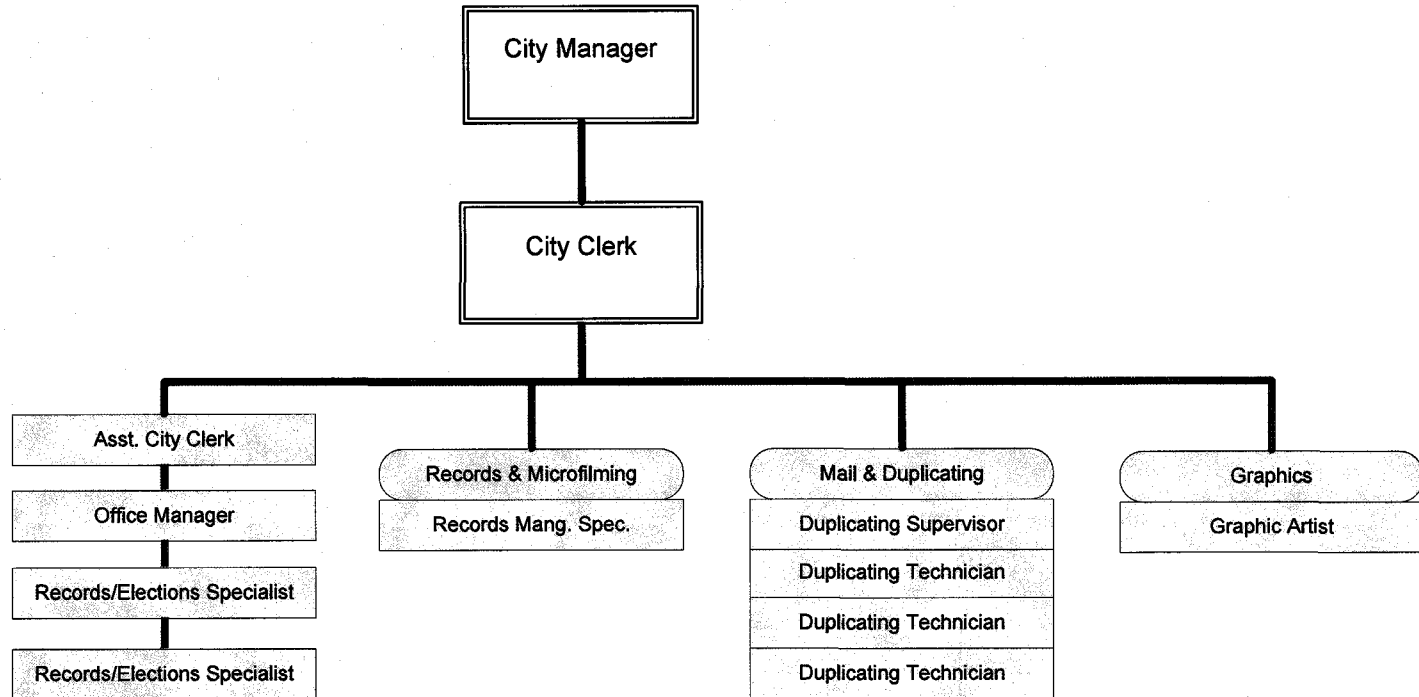
Mayor

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

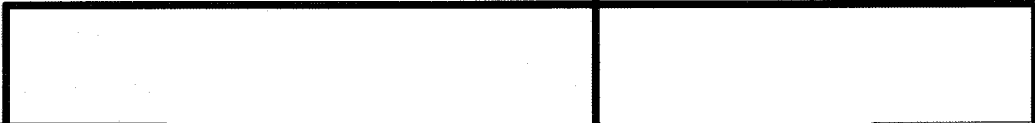
City Councilor
District 3

City Councilor
District 4

City Councilor
District 4

City Manager

City Attorney
30



Legal

Senior Asst. City Attorney	Asst. City Attorney
Asst. City Attorney	Asst. City Attorney
Asst. City Attorney	Asst. City Attorney
Paralegal/Office Manager	PT Asst. City Attorney
	Paralegal
	Paralegal

Public Records Custodian/Paralegal

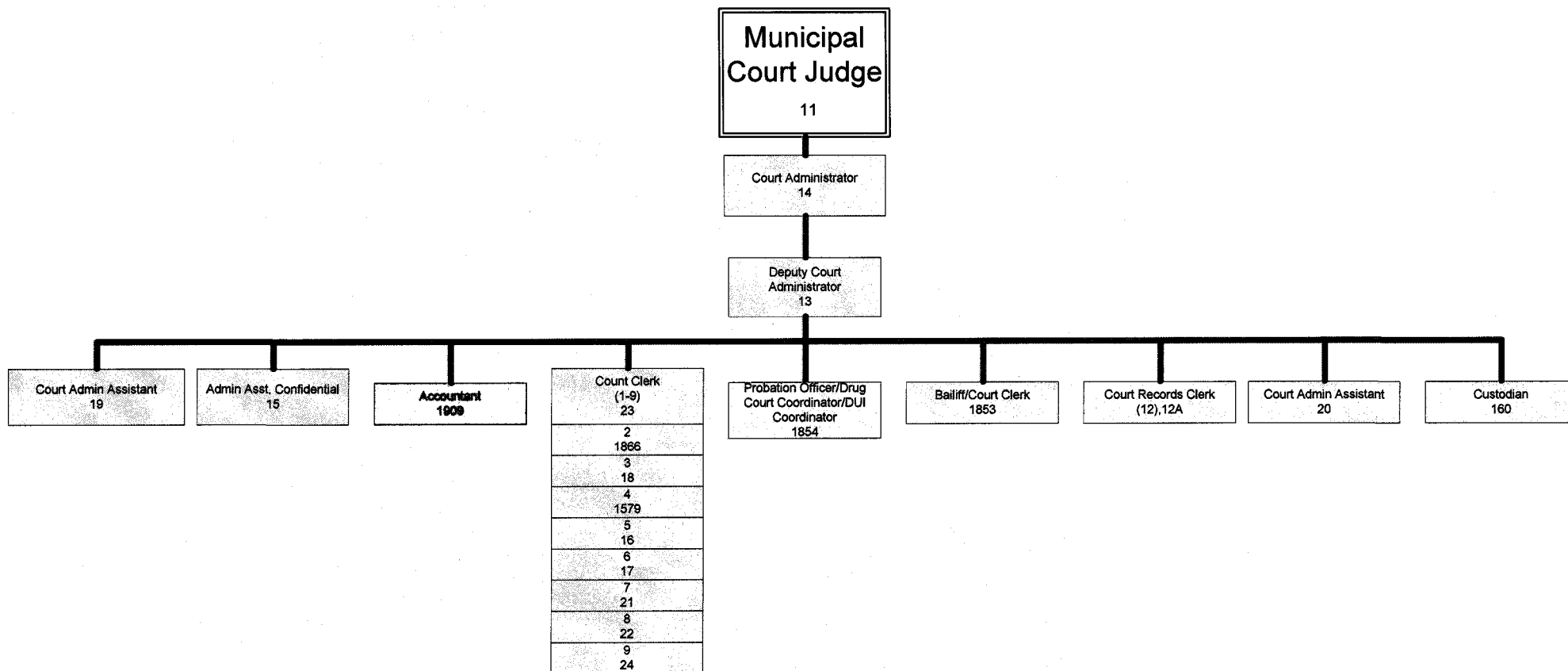
Public Records Custodian/Paralegal

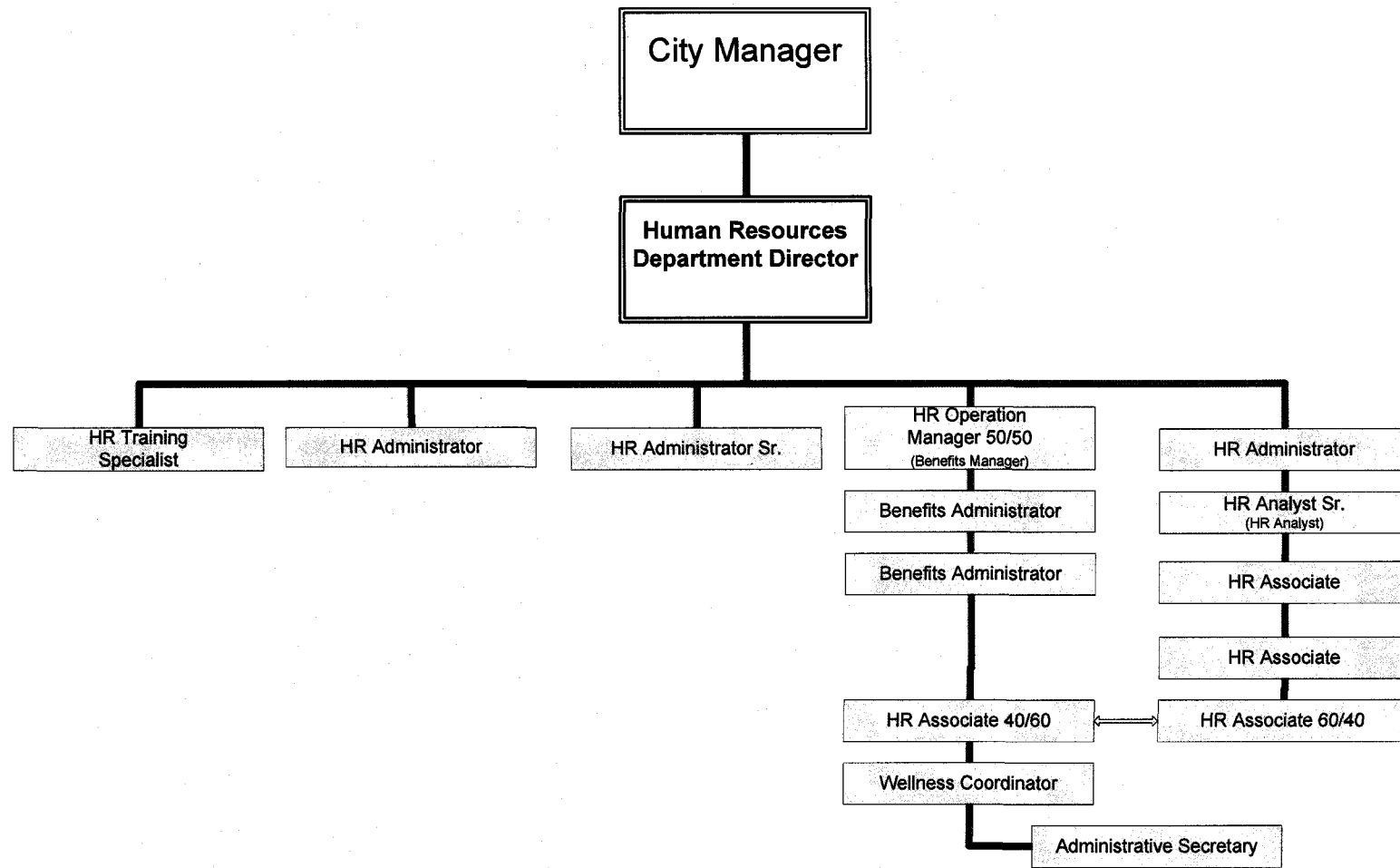
Legislative Services

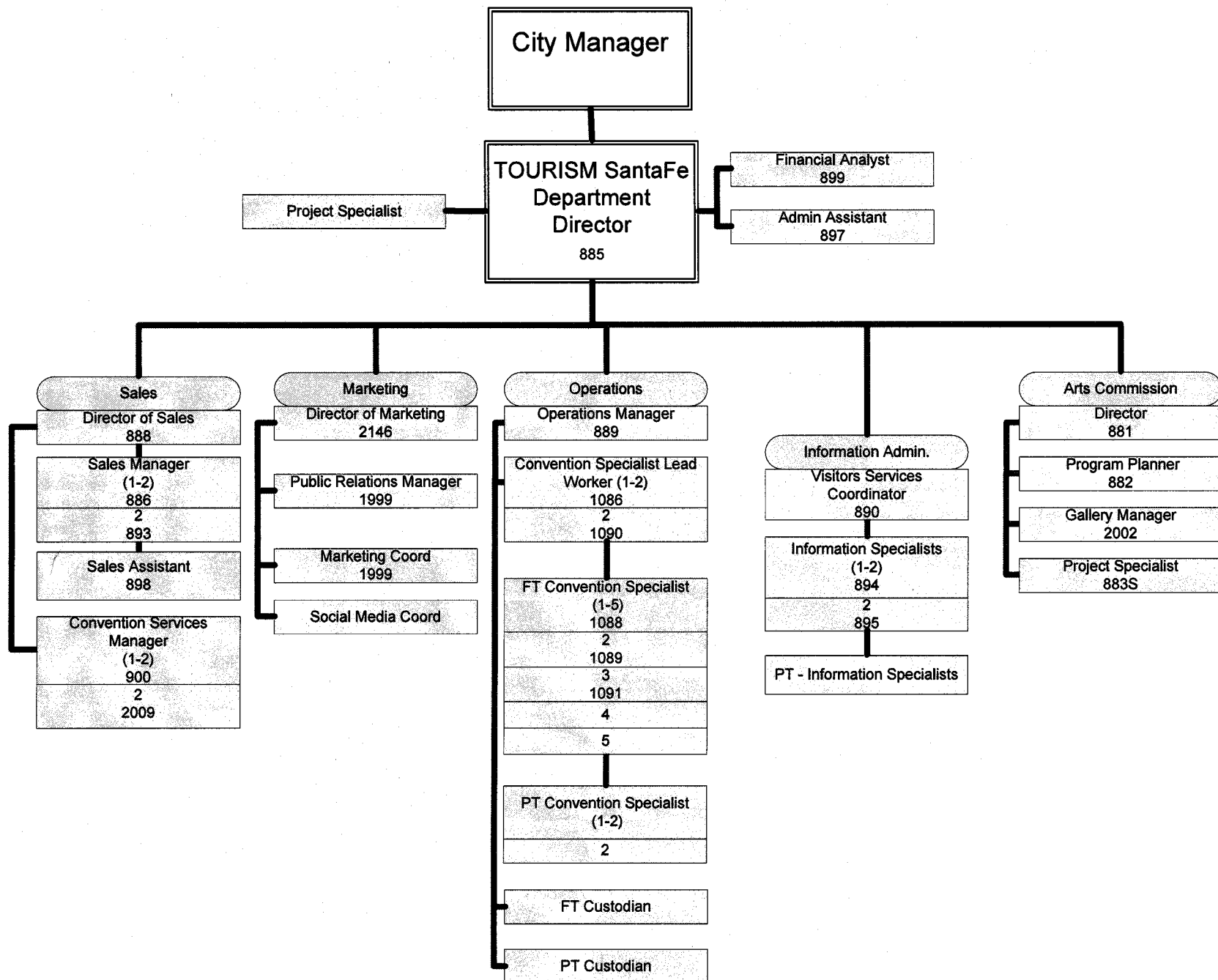
Legislative Liaison
Legislative Liaison Asst.

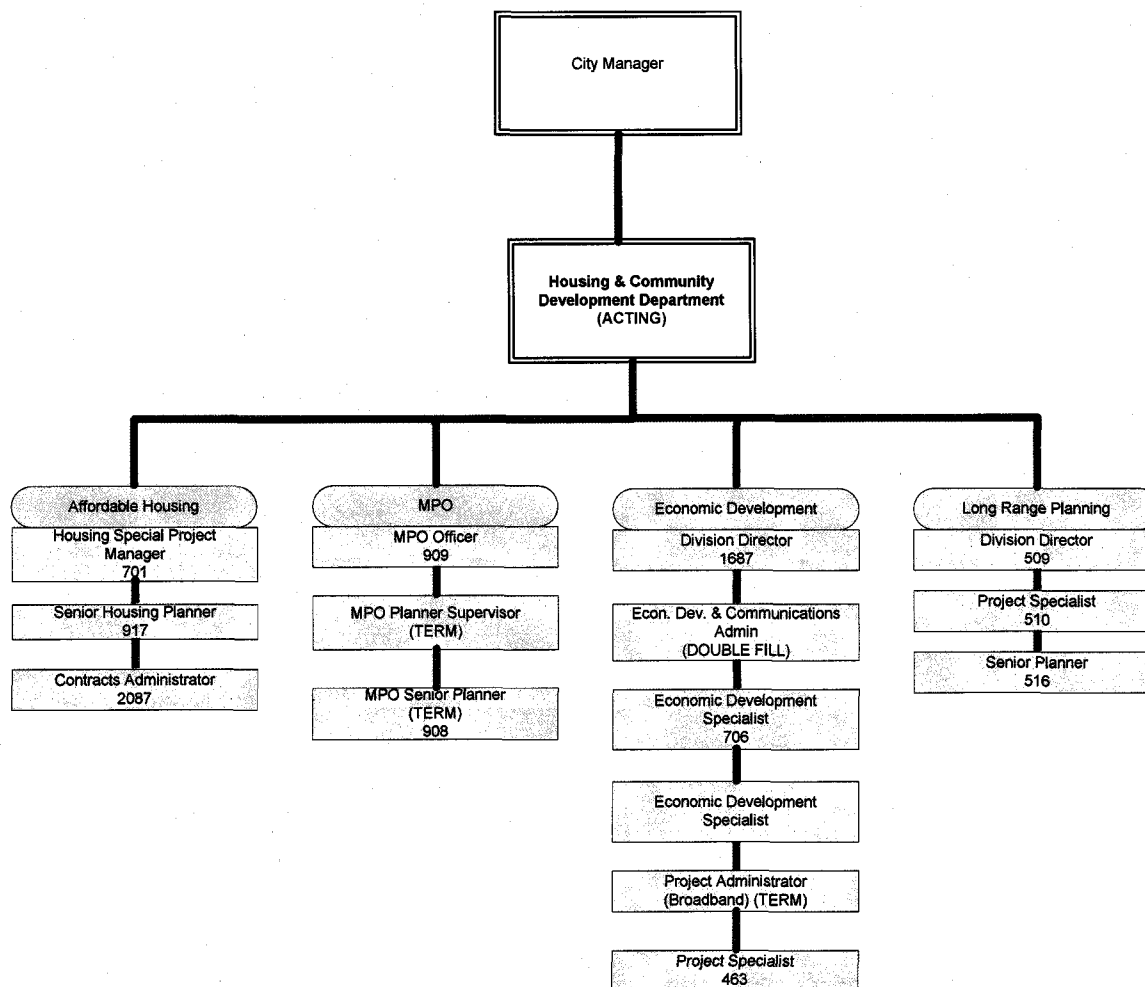


Judicial Branch







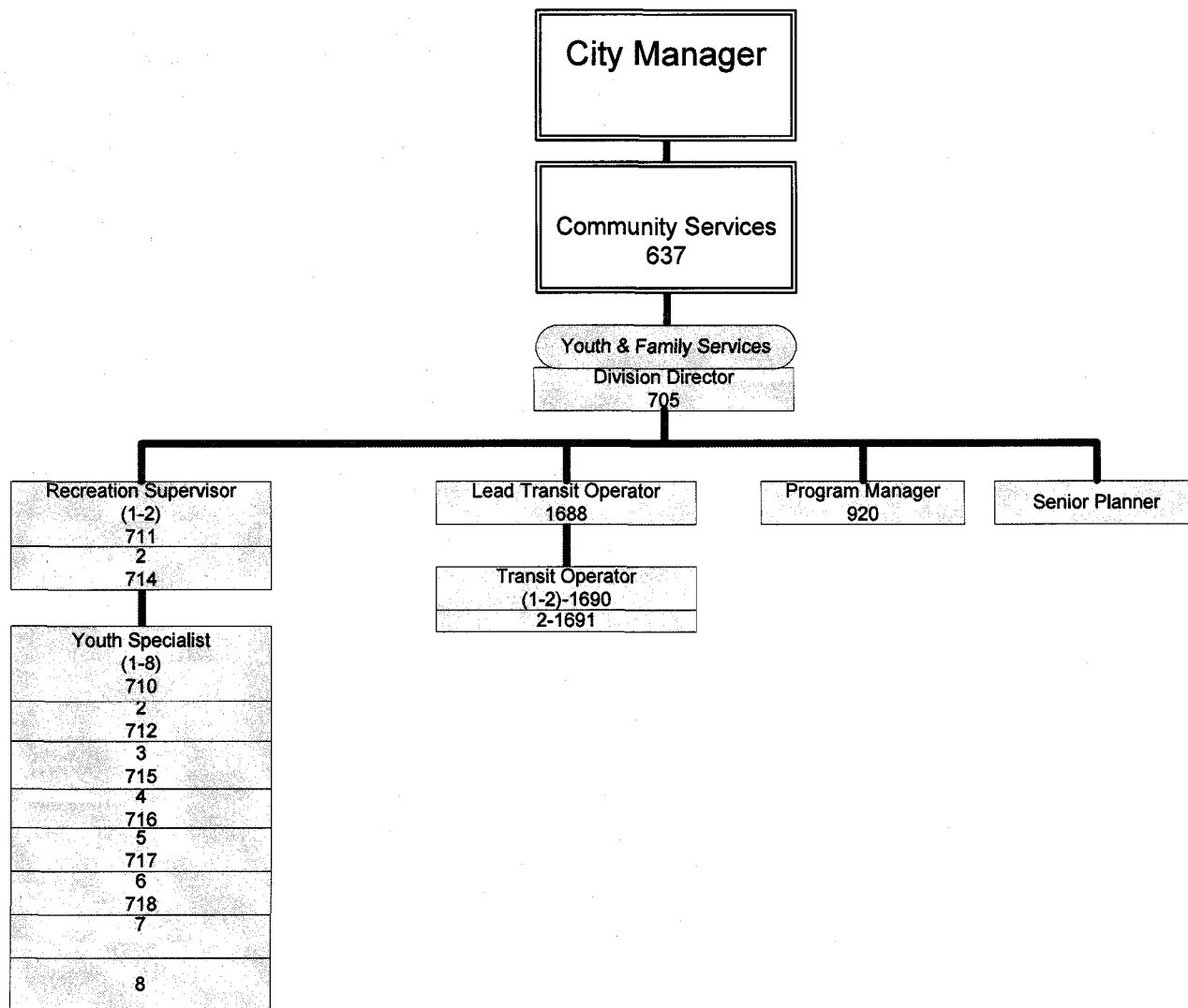


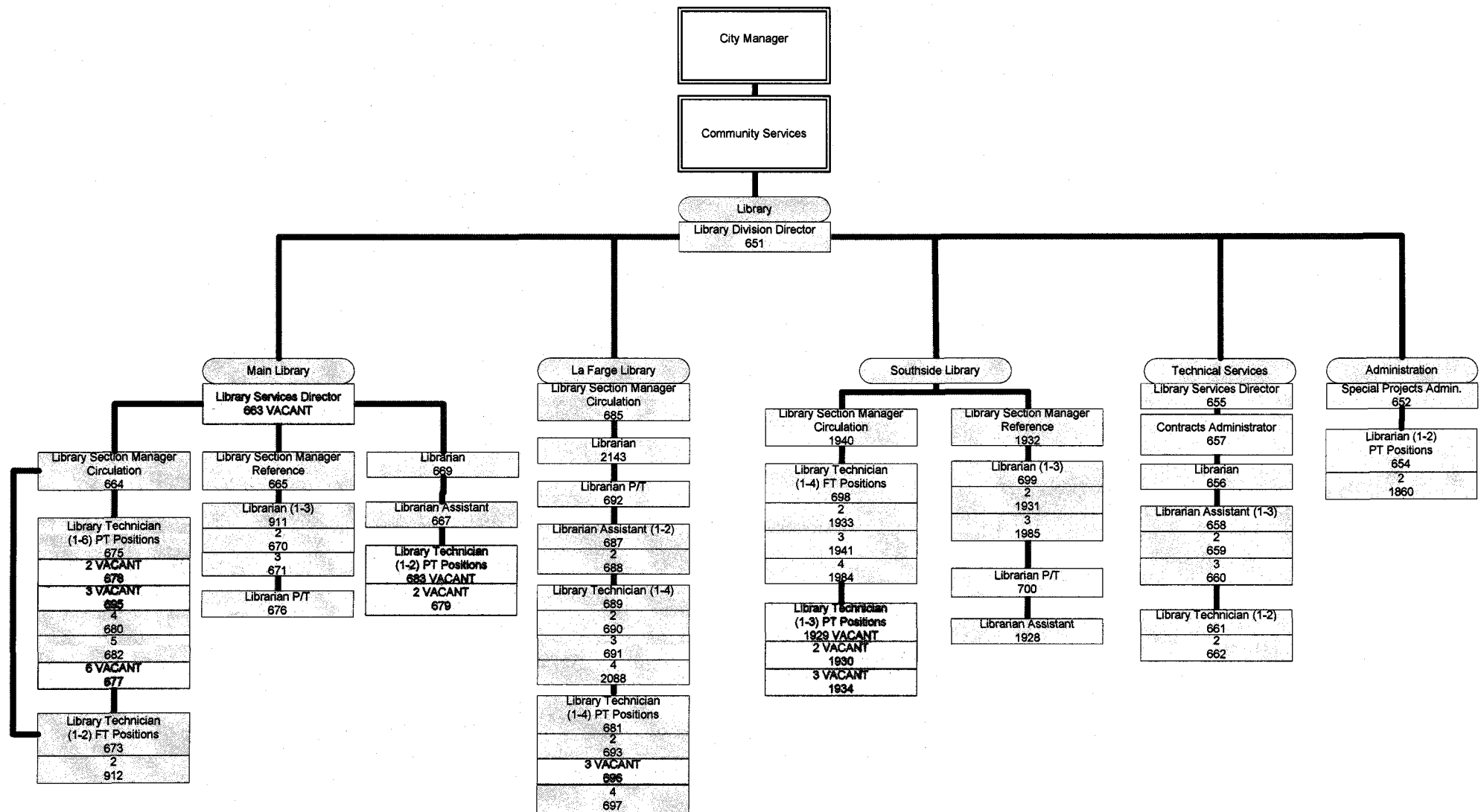
SYP Aide
(1-59) 977
2-985
3-1014
4-1054
5-1011
6-1061
7-1056
8-1047
9-997
10-1053
11-1041
12-1022
13-1029
14-1021
15-1055
16-1037
17-1026
18-998
19-999
20-1027
21-1032
22-1012
23-1035
24-1062
25-1051
26-1060
27-1058
28-1013
29-1039
30-1020
31-1019
32-1023
33-1024
34-1025
35-1028
36-1030
37-1031
38-1033
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

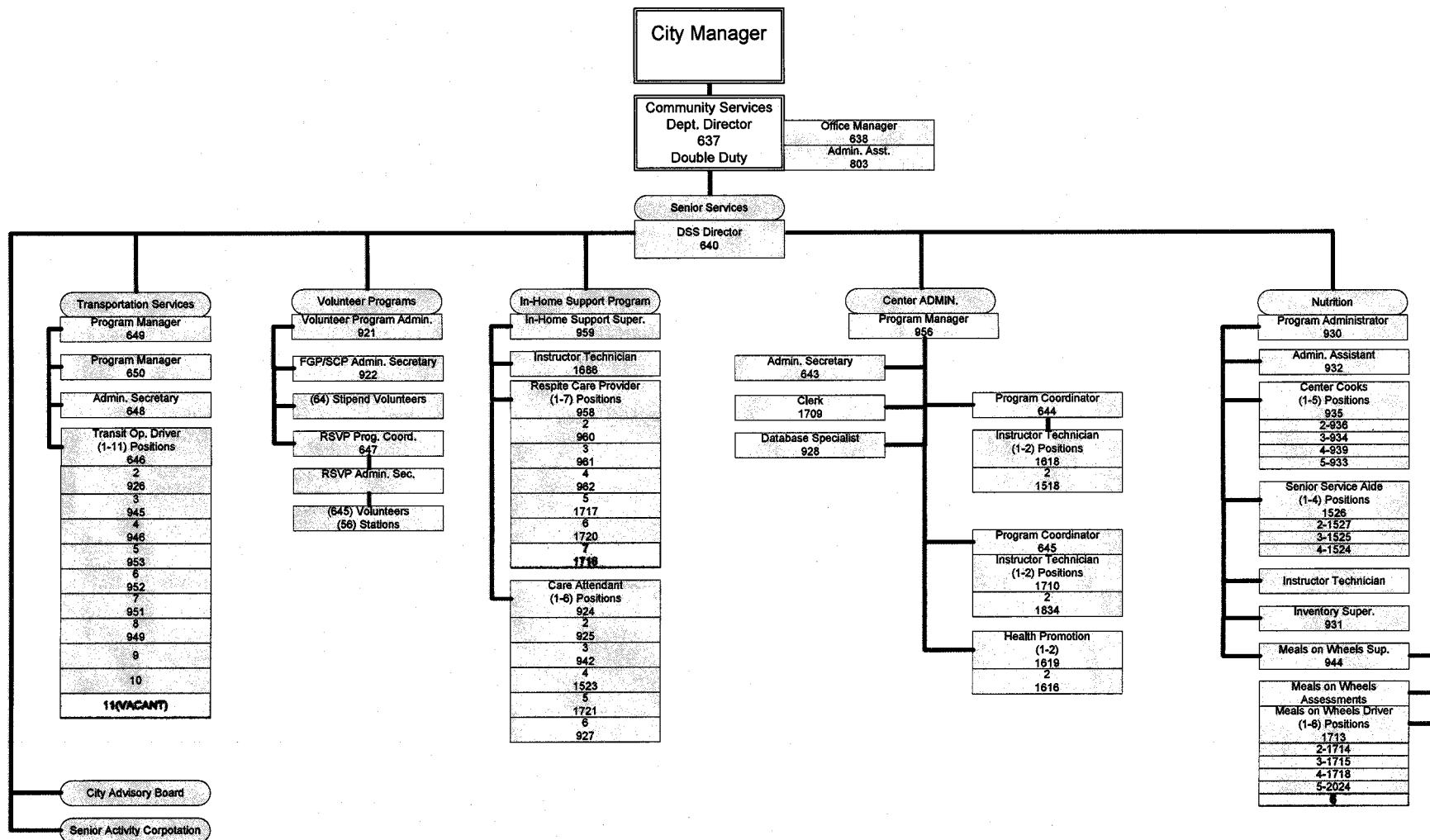
SYP Supervisor
(1-16)-965
2-964
3-969
4-970
5-971
6-972
7-973
8-974
9-975
10-980
11-1584
12-1585
13-1586
14-1598
15-1596
16-1597

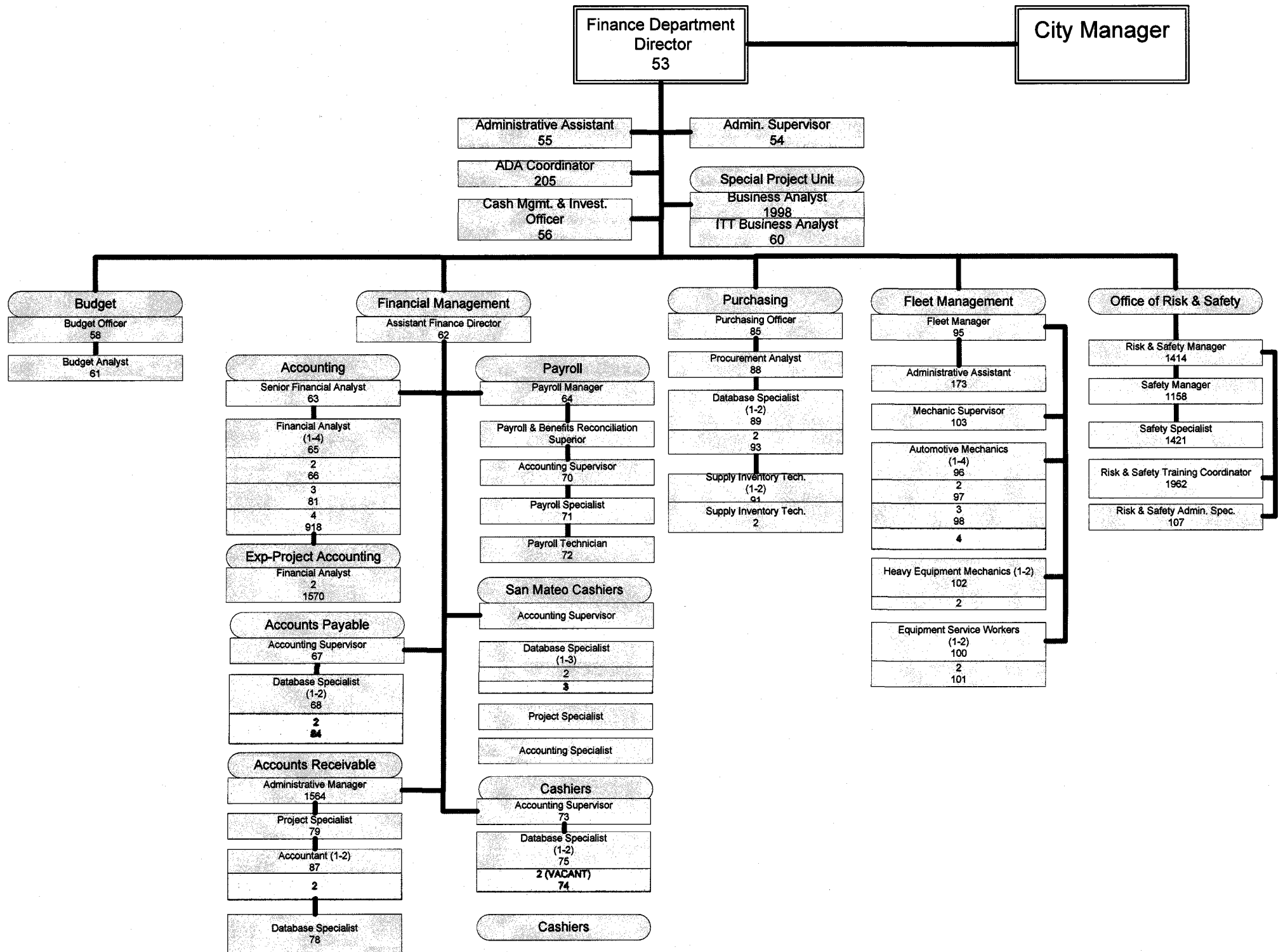
SYP Supervisor (TMP)
713

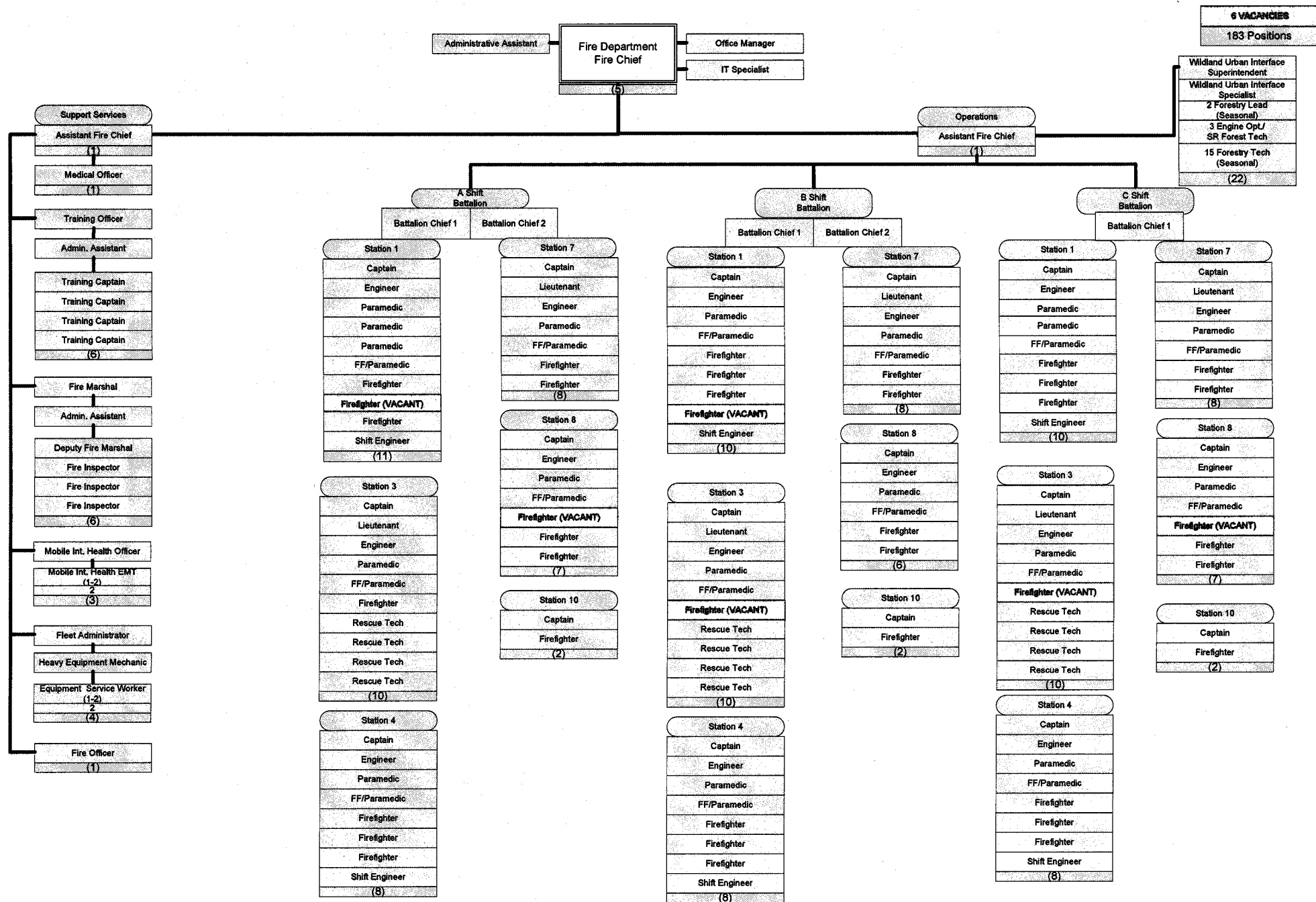
SYP Asst. Supervisor
(1-16)-1588
2-1589
3-976
4-979
5-981
6-982
7-984
8-986
9-987
10-988
11-989
12-990
13-991
14-992
15-993
16-994

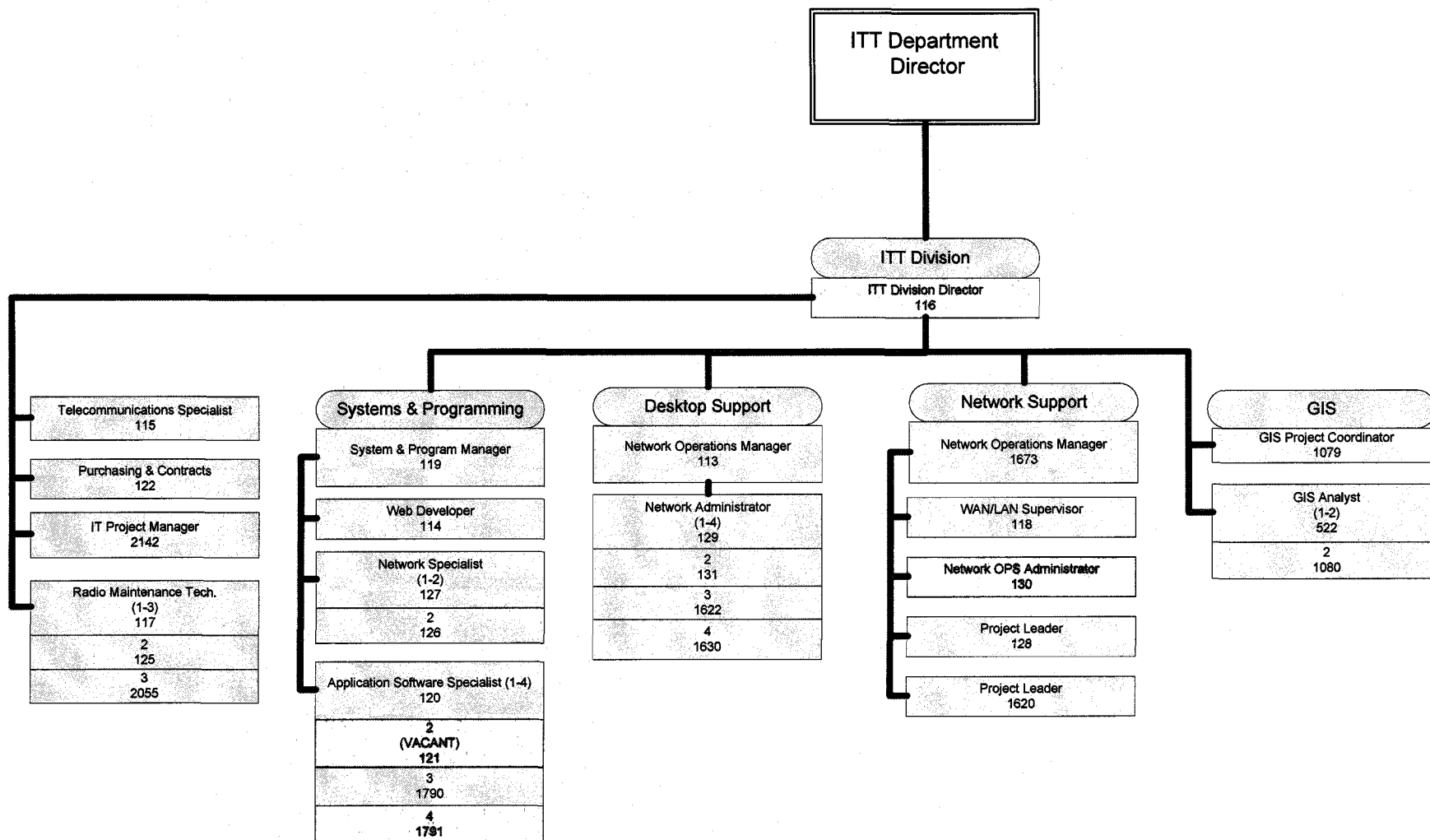


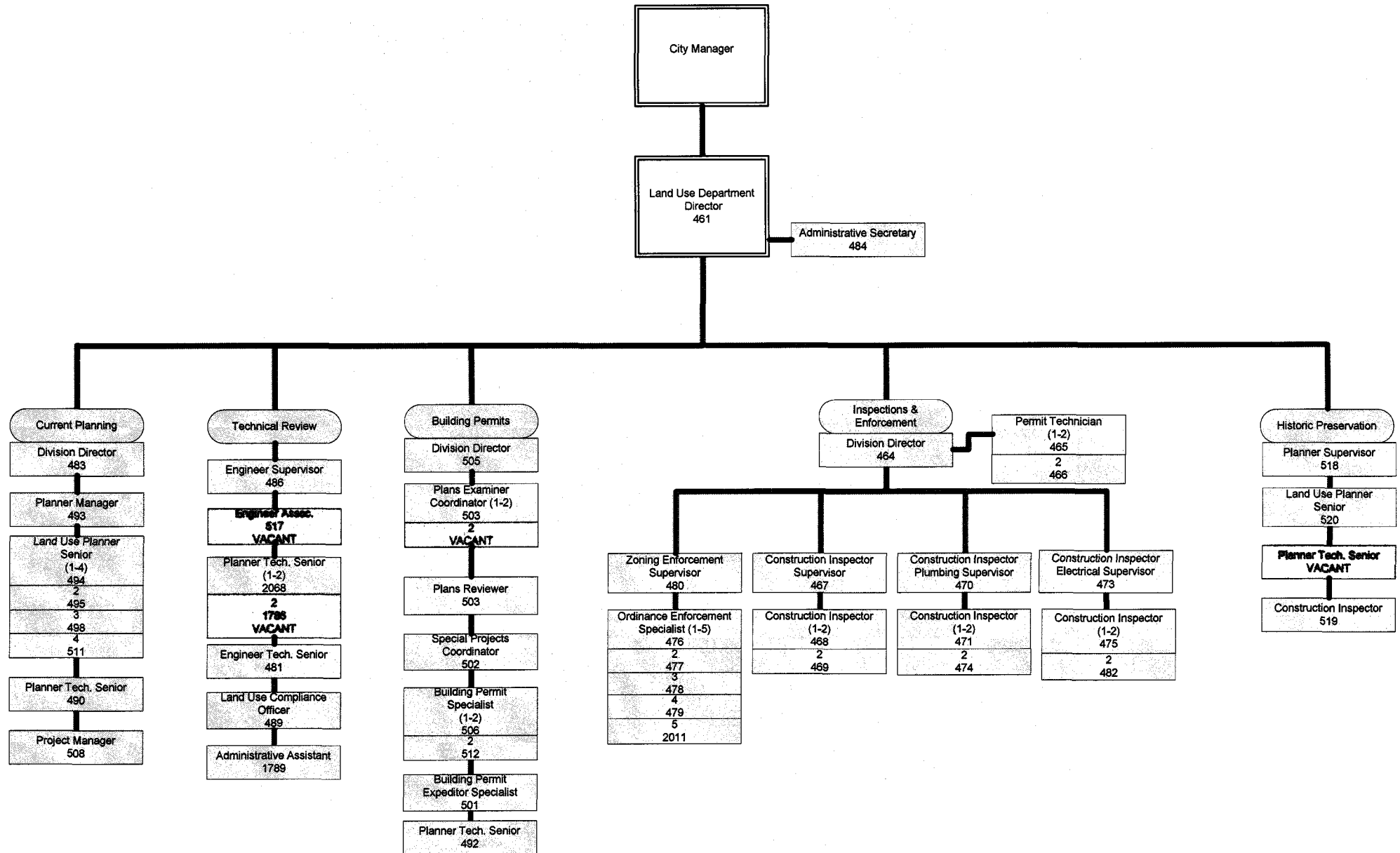




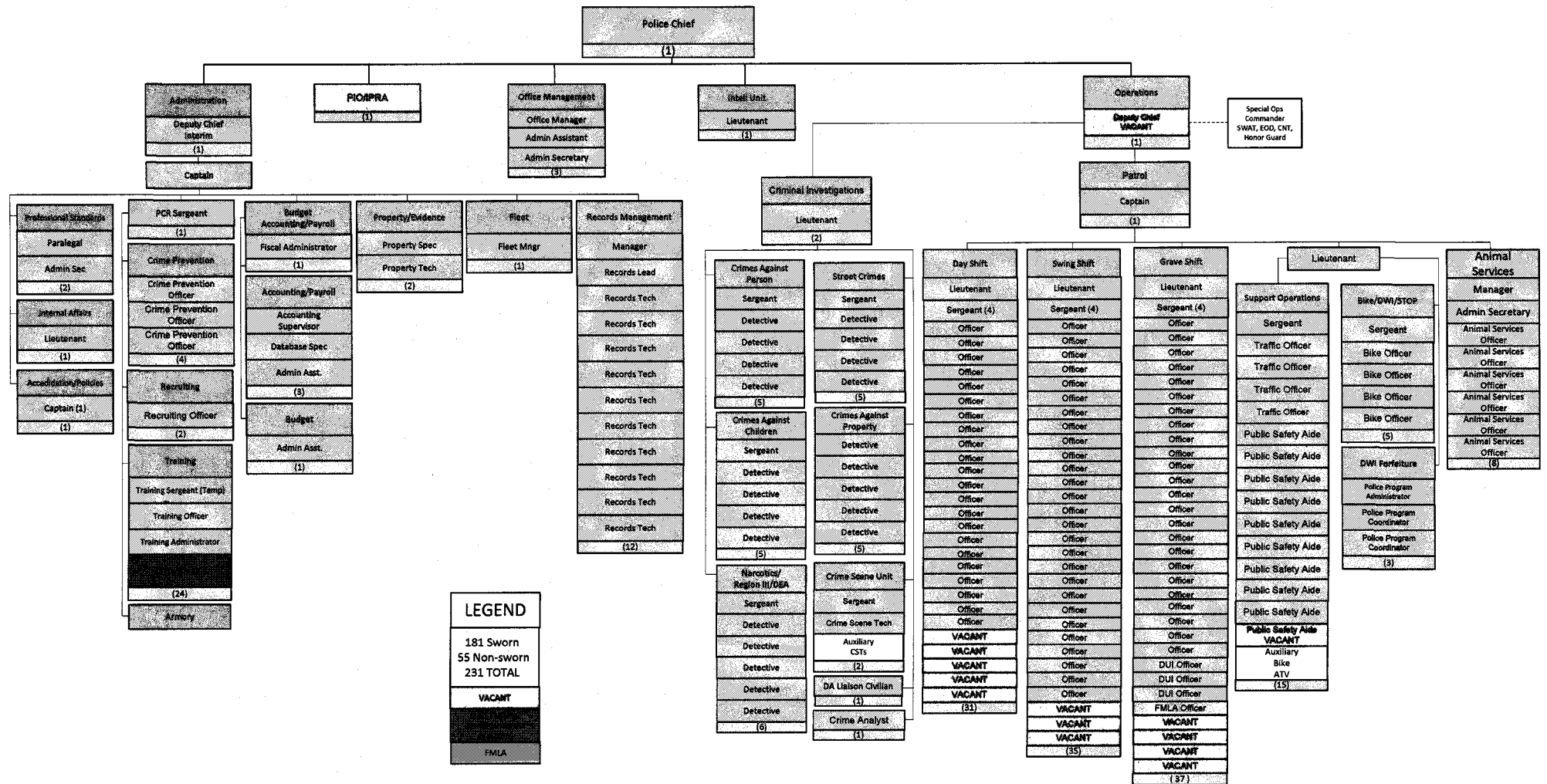


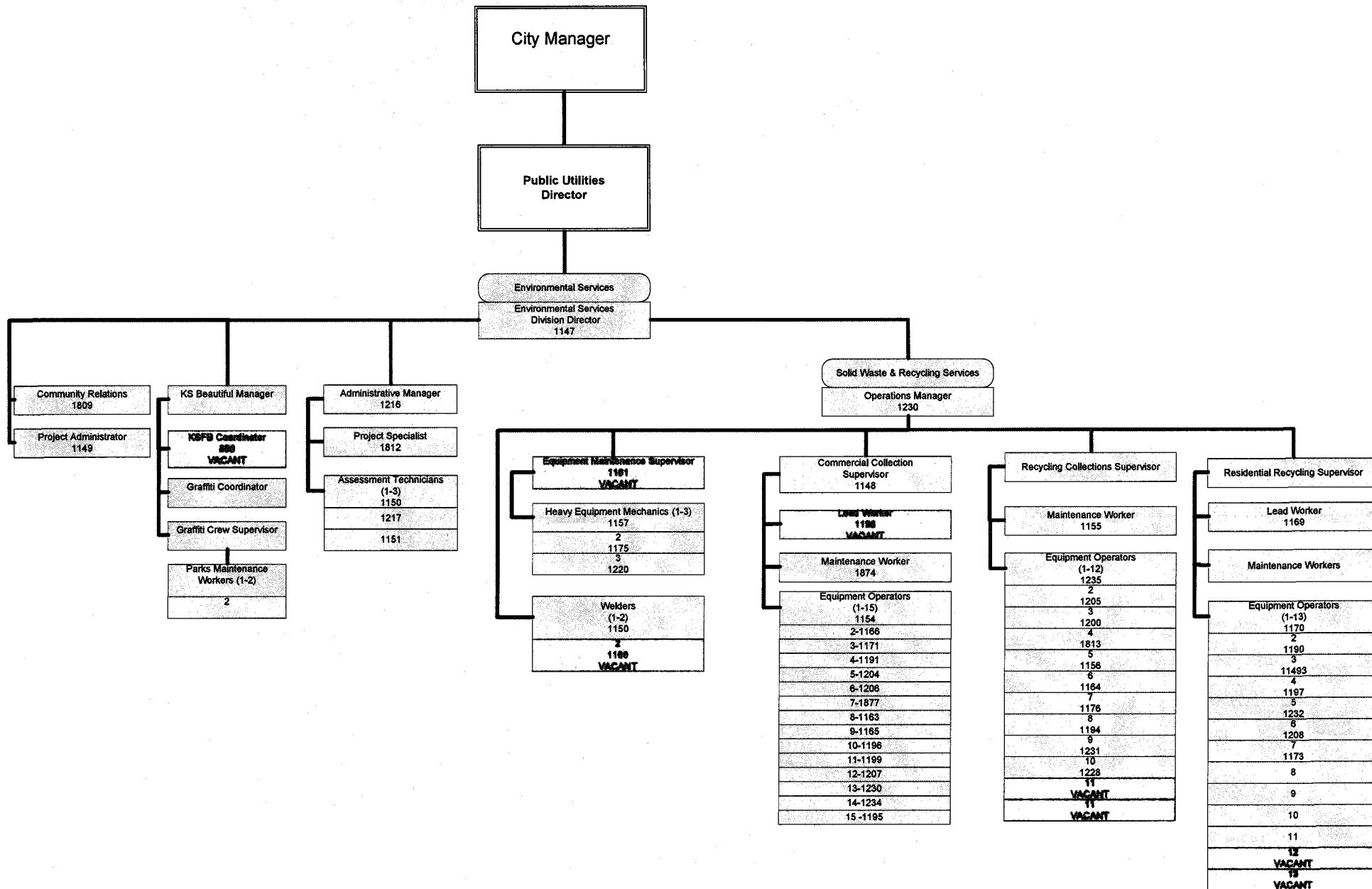


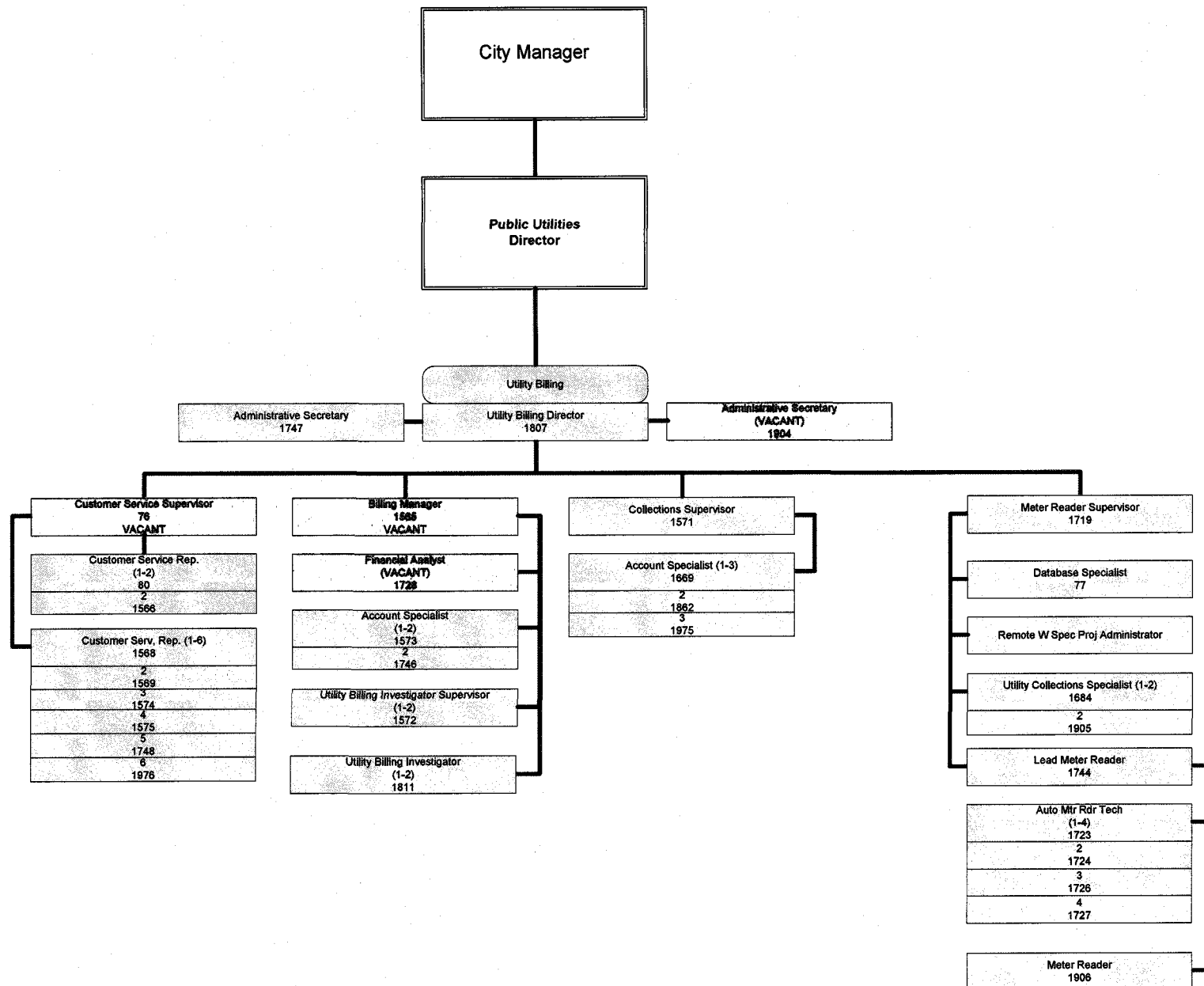


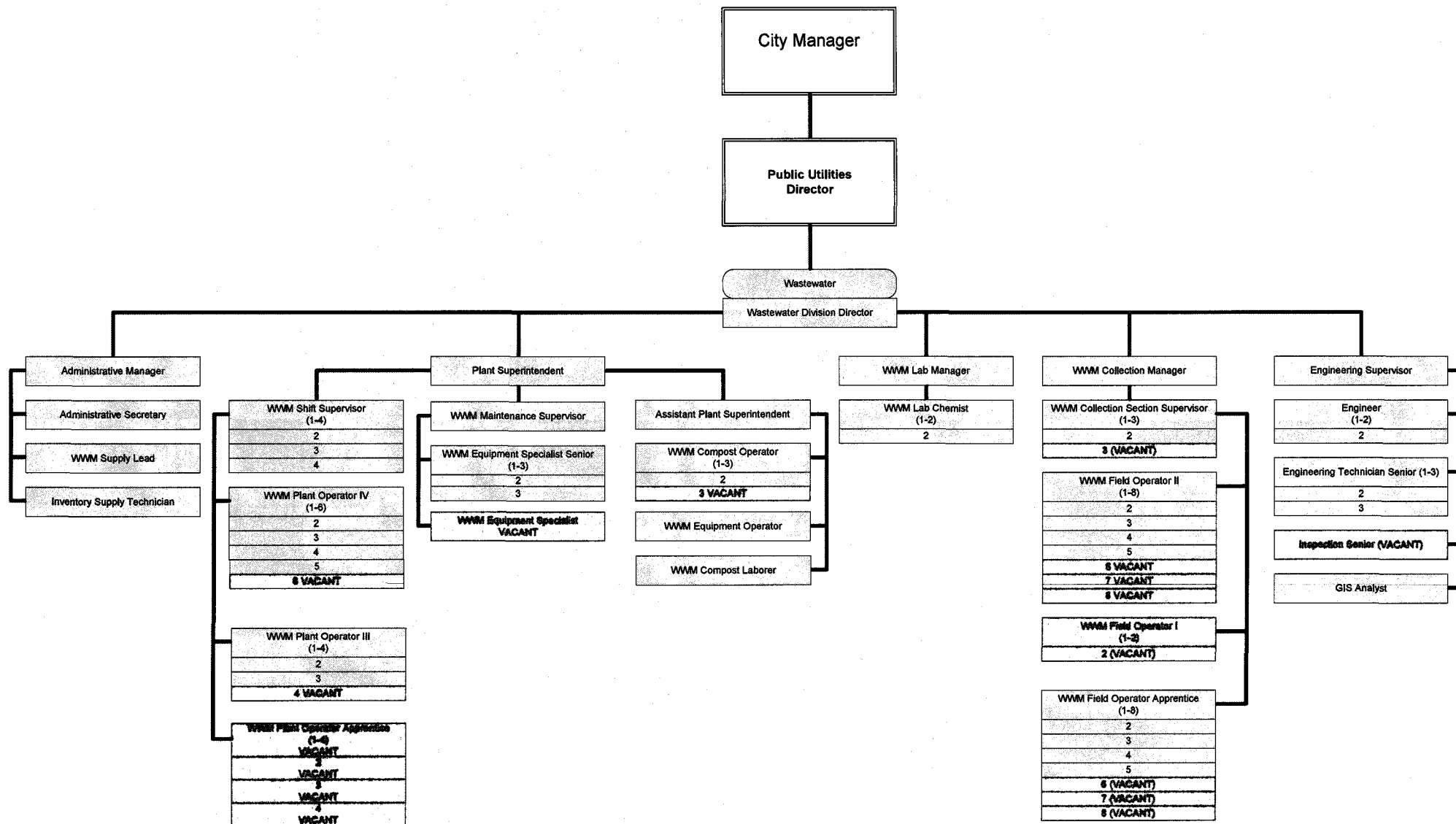


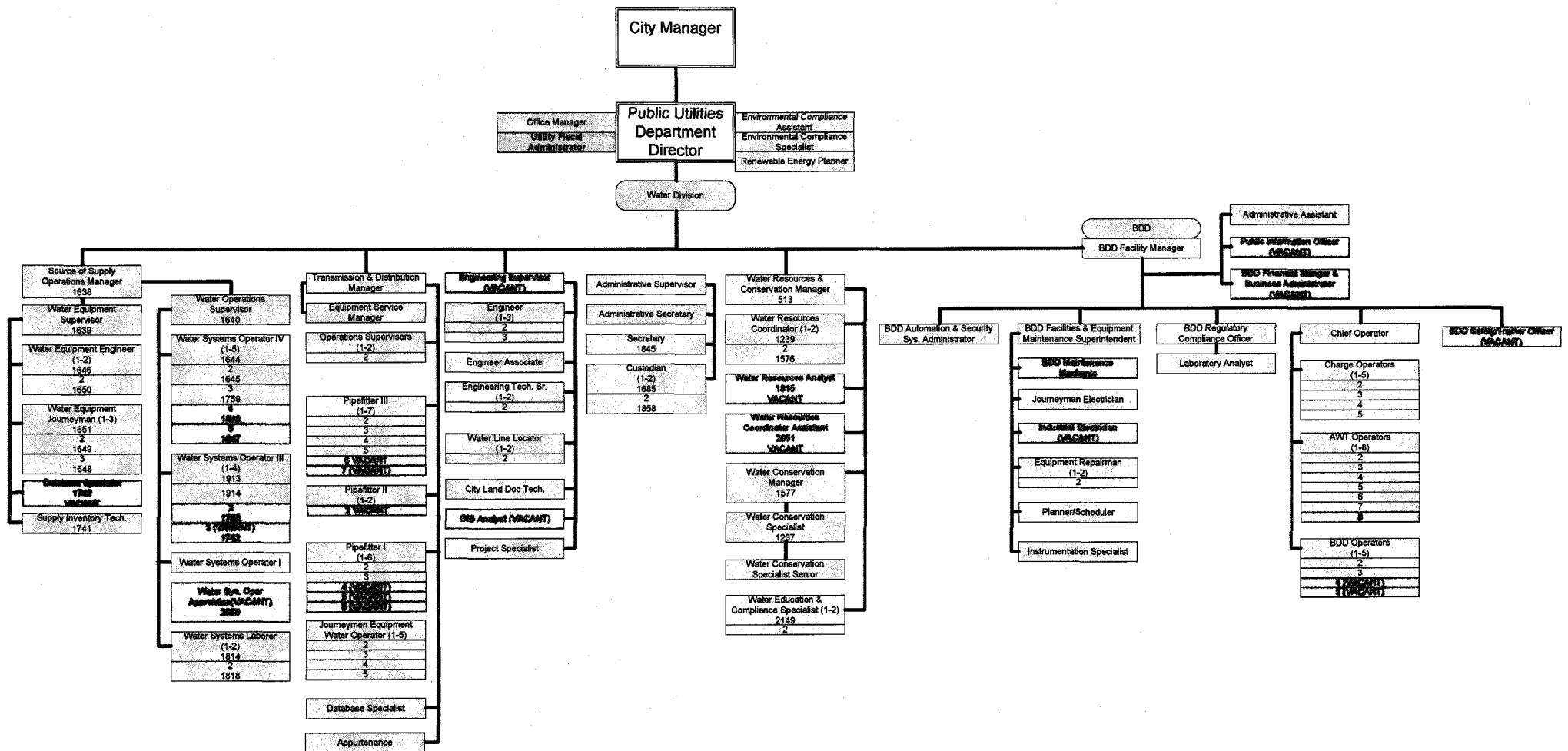
Santa Fe Police Department

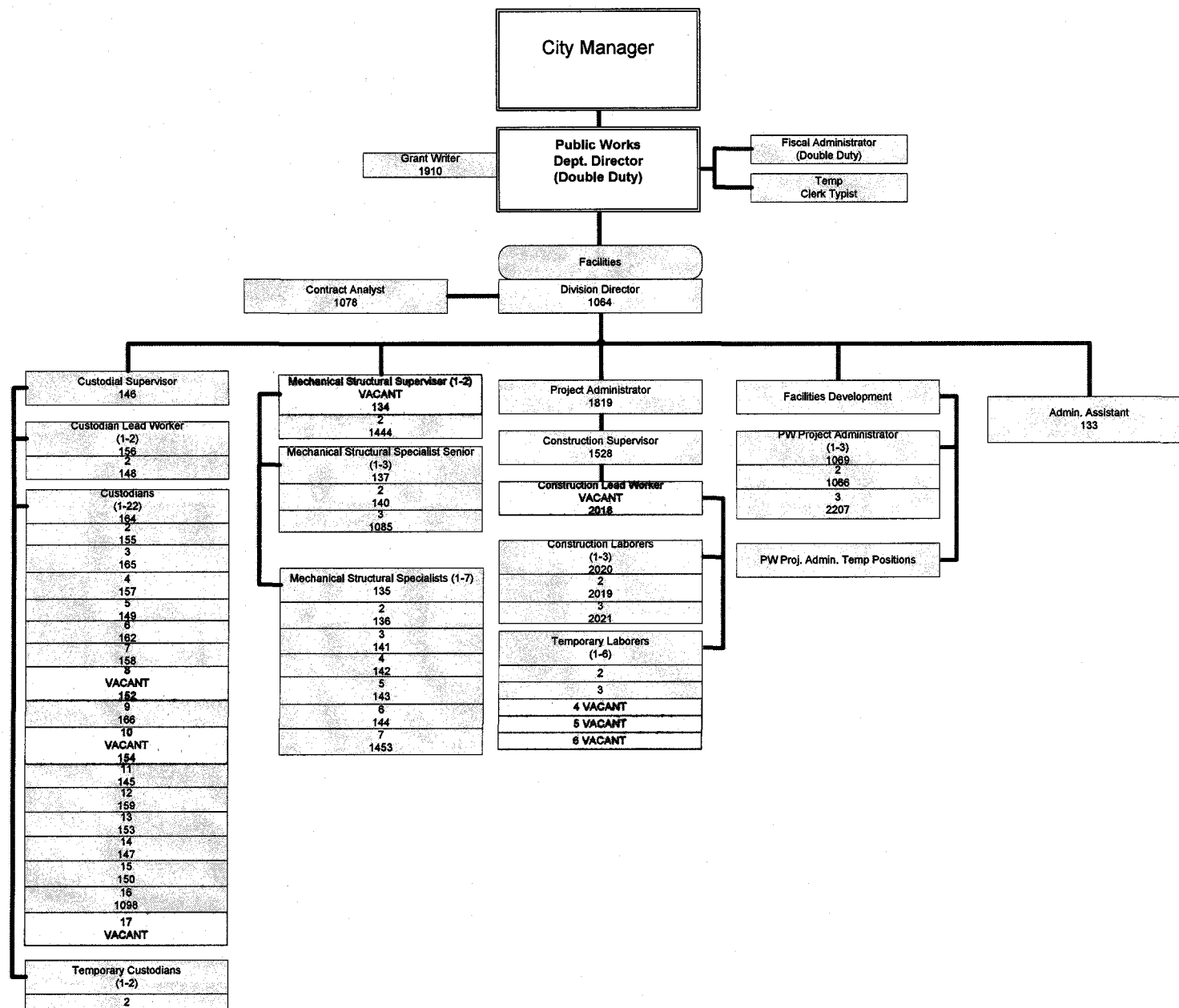


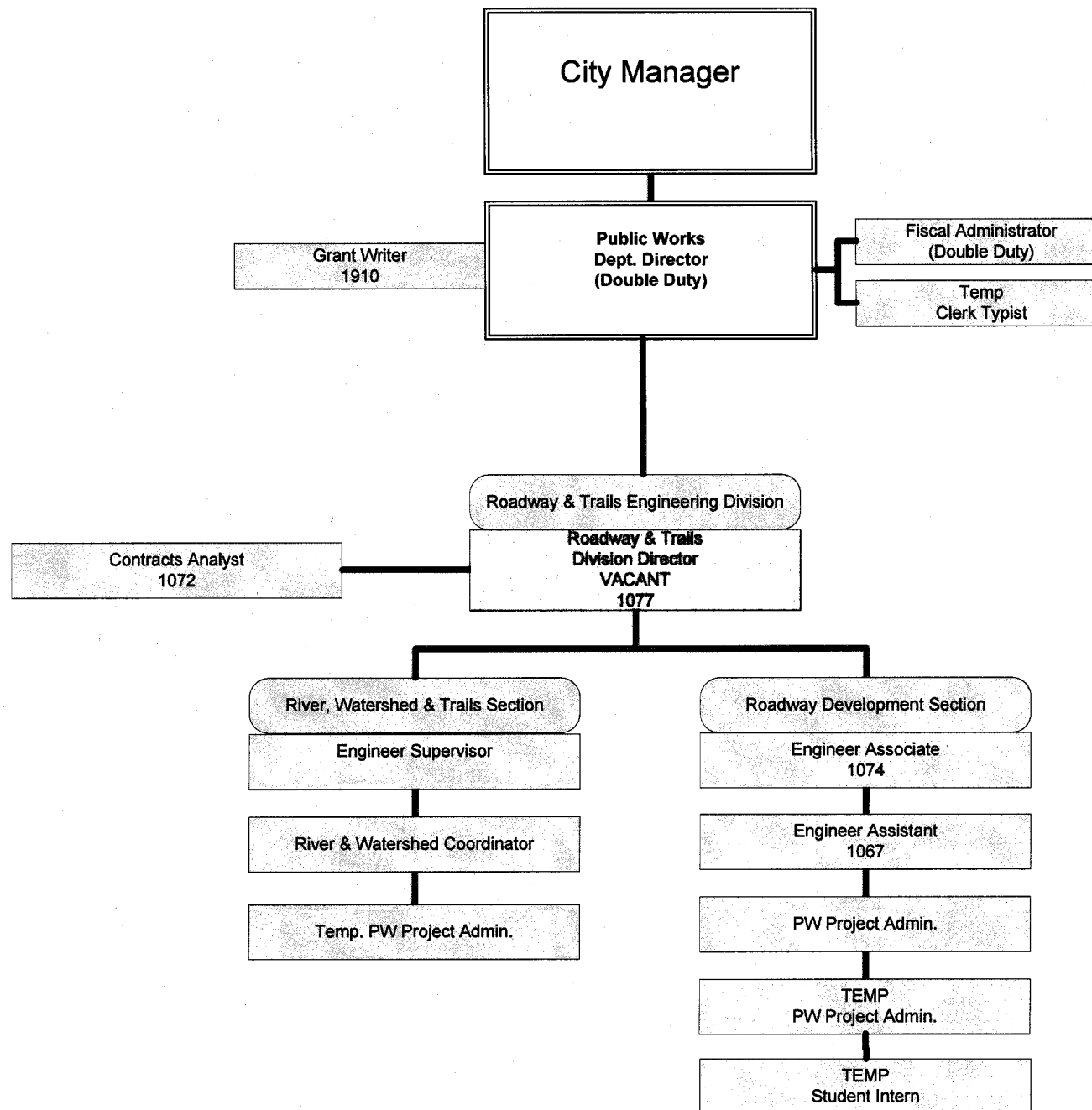


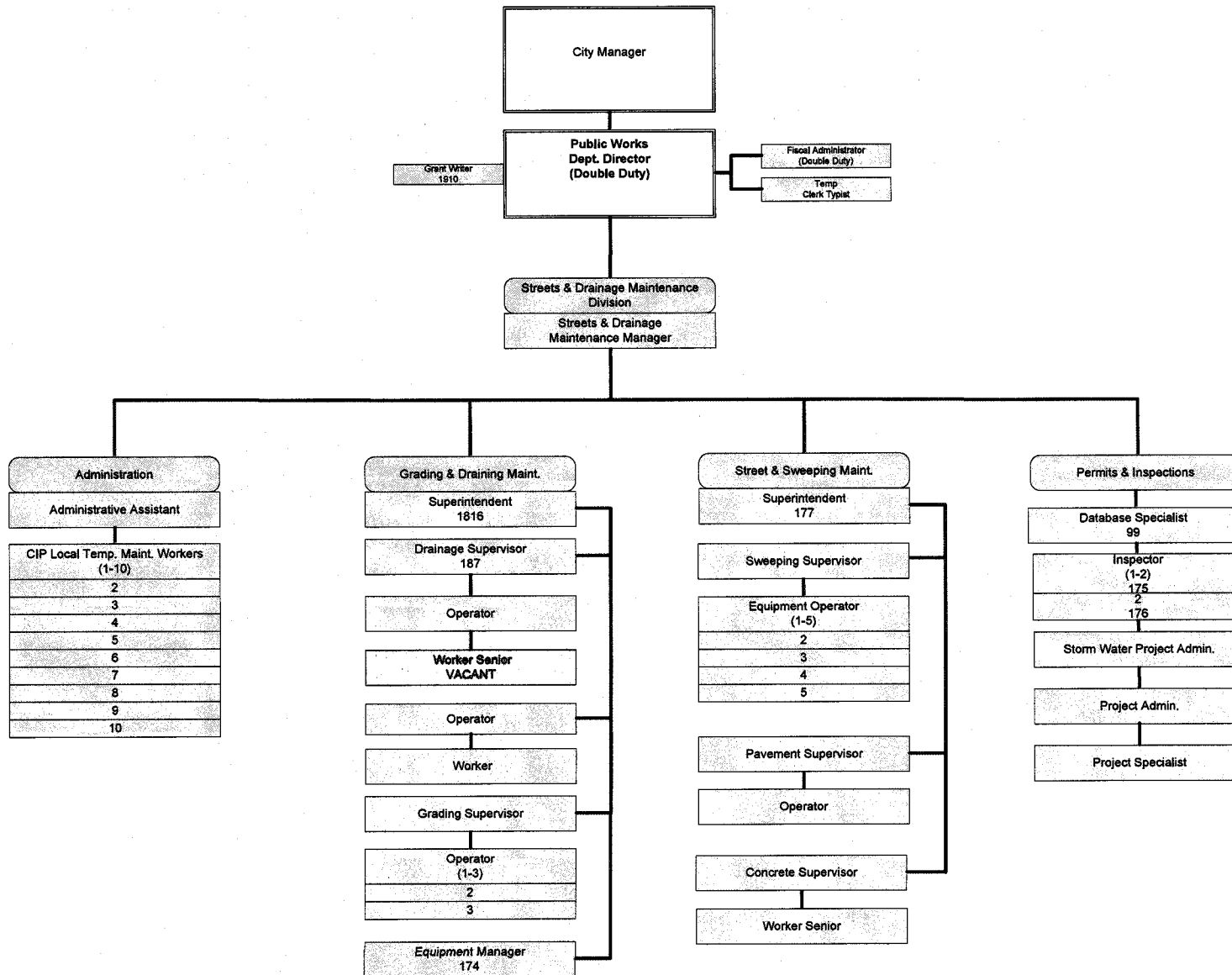


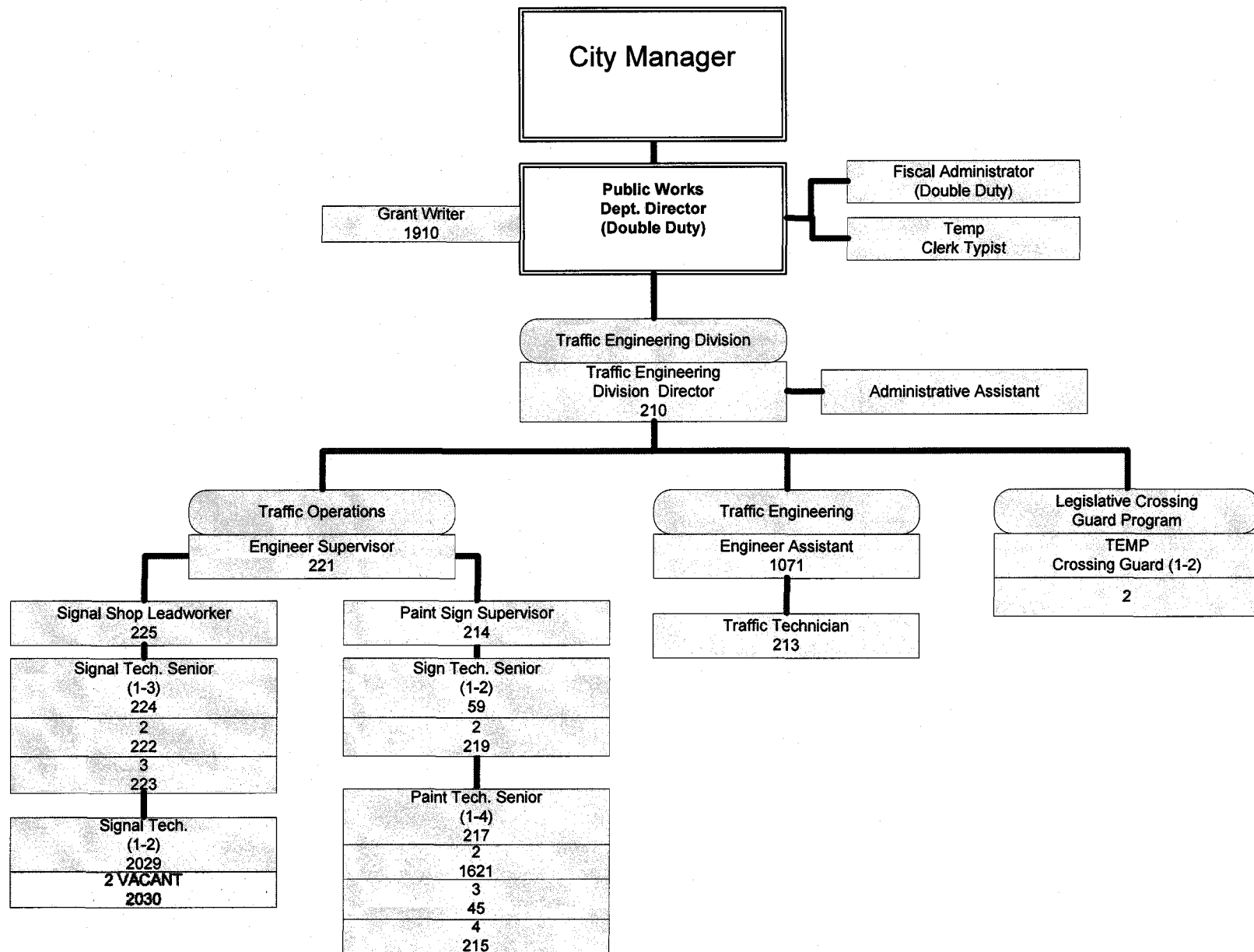


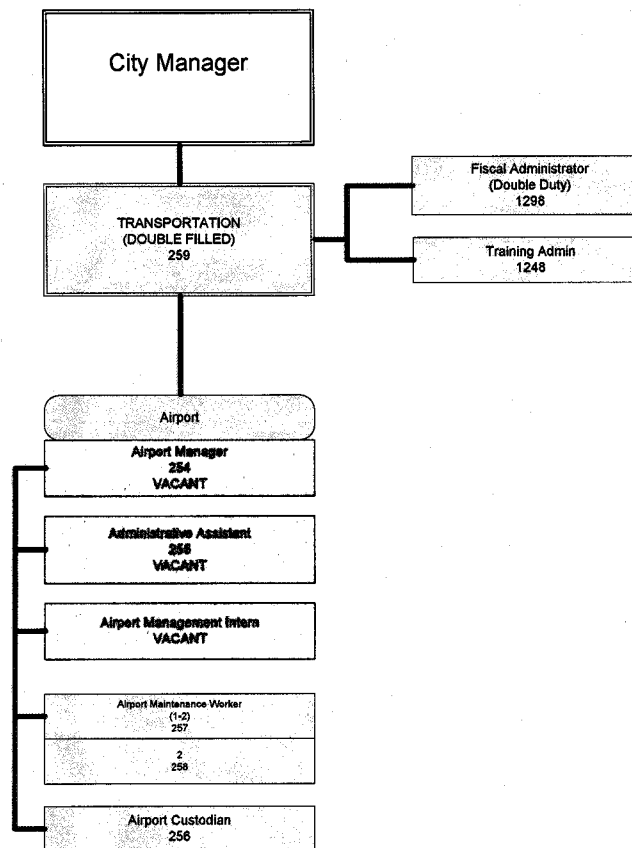












City Manager

TRANSPORTATION
DOUBLE DUTY

Fiscal Administrator
1298

Training Admin
1248

Parking

Division Director
1092

Operations Manager
1093

Admin. Asst.
1094

Cont. Analyst
1108

Accountant
1604

Admin. Mgr.
1097

DataBaseSp
1096

DataBaseSp
1100

Perm. Coord
1101

Acct. Tech. (1-2)
1098

2

Off-Street Supervisor
1111

Attendant Seniors
(1-2)-1134
2-1136

Shuttle Driver

Driver/Attendants
(1-5)-1116
2-1981
3-2047
4-2048
5-2049

Field Trainer Analyst
Supervisor-1135

Parking Attendants
(1-5)-1117

2-1118
3-1119
4-1120
5-1121

Shift Supervisor
1113

Parking Attendants
6-1124

7-1130
8-1131
9-1132
10-1133

Shift Supervisor
1114

Parking Attendants
11-1137

12-1115
13-1122
14-1125
15-1126

Shift Supervisor
1129

Parking Attendants
16-1128

17-1754
18-1755
19-1978
20-1980

Enforcement Supervisor
1102

Senior Officer
1104

Enforcement Officers (1-7)
1103

2

1105

3

1106

4

1107

5

1943

6

2044

Collections Supervisor
2042

Field Collector
1110

Coll/Analys
1109

Maintenance Supervisor
1138

Senior Techs.
(1-2)
1140

2

1141

Technicians
(1-4)
1139

2

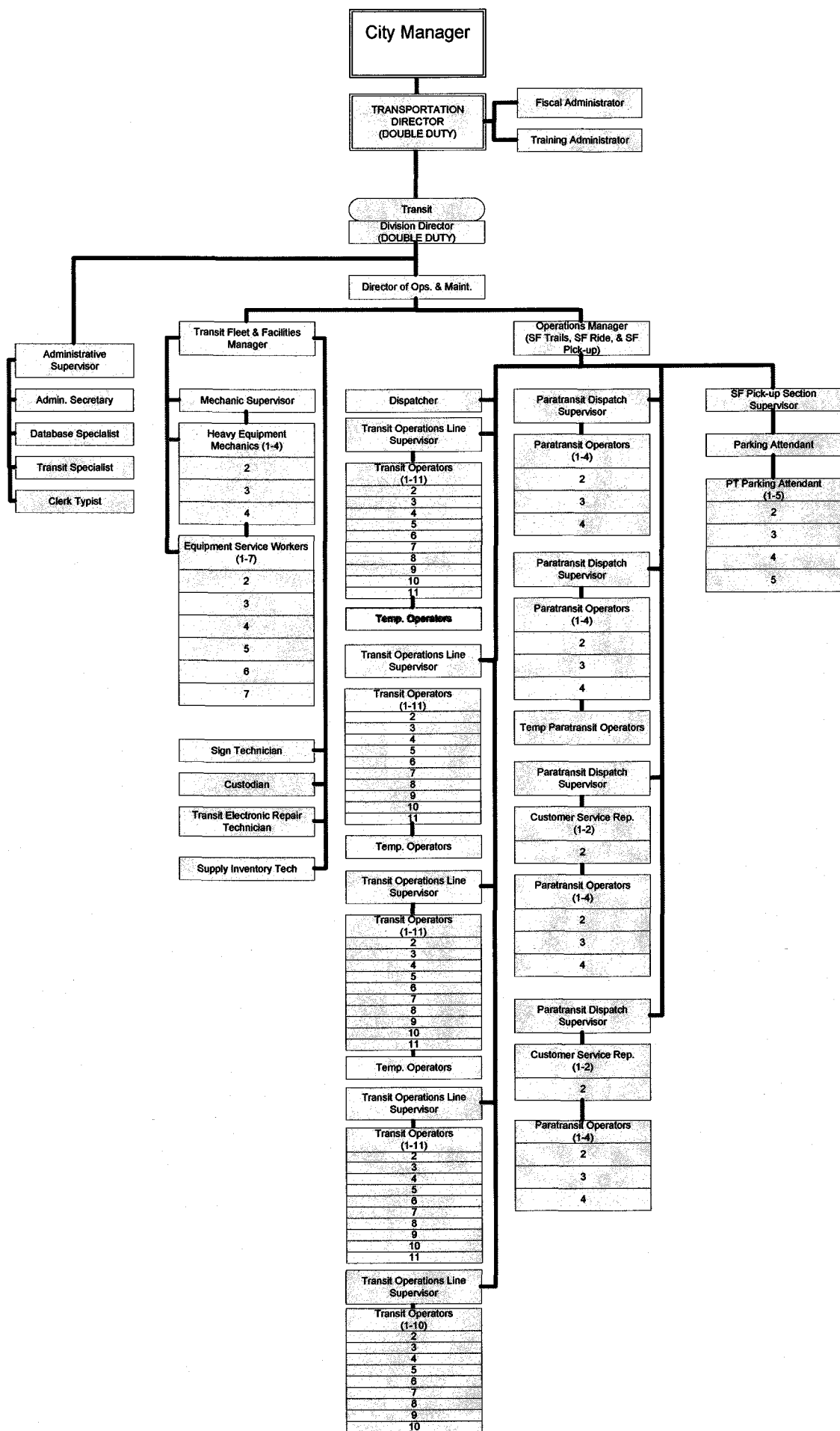
1142

3

1979

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2045



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CITY OF SANTA FE
RESOLUTION NO. 2015 – ____
INTRODUCED BY: Finance Committee
A RESOLUTION ADOPTING OF THE CITY OF SANTA
FE FISCAL YEAR 2015-2016 ANNUAL BUDGET

WHEREAS, the Governing Body in and for the Municipality of Santa Fe, State of New Mexico has developed a budget for fiscal year 2015/2016, and:

WHEREAS, said budget was developed on the basis of need and through cooperation with all user departments, elected officials and other department supervisors, and:

WHEREAS, the official meetings for the review of said documents were duly advertised in compliance with the State Open Meetings Act, and:

WHEREAS, it is the majority opinion of this Governing Body that the proposed budget meets the requirements as currently determined for fiscal year 2015/2016.

WHEREAS, the Governing Body has determined that the necessary property tax mill rates on residential and non-residential properties subject to yield control to meet the operational budgeted needs will remain at the following rates.

	<u>Residential</u>	<u>Non-Residential</u>
Operations	0.7015	1.5018
Public Safety – Police	0.3000	0.6422
Public Safety – Fire	0.3065	0.6560

Exhibit "5"

WHEREAS, the Governing Body has determined that the property tax mill rates for debt service on residential and non-residential property to meet the principal and interest budgeted needs will be the following rates:

	<u>Residential</u>	<u>Non-Residential</u>
2008 GO Bond	0.3963	0.3963
2013 GO Bond	0.2188	0.2188
2014 GO Bond	0.0336	0.0336

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE, STATE OF NEW MEXICO that the Governing Body hereby adopts the budget hereinabove described as to funds, categories and departments, and respectfully requests approval from the Local Government Division of the Department of Finance and Administration.

BE IT FURTHER RESOLVED that previous financial policy resolutions are superseded by the policies included in the fiscal year 2015/2016 budget.

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

MUNICIPAL GOVERNING BODY OF THE CITY OF SANTA FE, NEW MEXICO:

MAYOR JAVIER M. GONZALES

COUNCILOR PATTI BUSHEE

COUNCILOR BILL DIMAS

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11
12
13
14
15
16
17
18

COUNCILOR CARMICHAEL A. DOMINGUEZ COUNCILOR PETER N. IVES

COUNCILOR SIGNE I. LINDELL COUNCILOR JOSEPH M. MAESTAS

COUNCILOR CHRISTOPHER RIVERA COUNCILOR RONALD S. TRUJILLO

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

KELLY BRENNAN, CITY ATTORNEY