

**City of Santa Fe, NM
Special Finance Committee
Tuesday, April 18, 2017**

**09:00 AM – Special Finance Committee/Budget Hearings
Council Chambers**

CITY CLERK'S OFFICE

DATE 4-13-17 TIME 3:39 pm

SERVED BY Yolanda B. Green

RECEIVED BY Carmelina Spears

AGENDA

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

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. STAFF RESPONSES TO ANY REQUESTS FOR INFORMATION**
- 5. DEPARTMENT REVIEWS CONTINUED:**
 - a. Public Works (45 minutes)*
 - b. Finance (15 minutes)*
 - c. Human Resources (15 minutes)*
 - d. Information Technology & Telecommunication (15 minutes)*
 - e. City Attorney (15 minutes)*
 - f. City Clerk (15 minutes)*

BREAK FOR LUNCH 12:00 PM - 1:00 PM

- 6. DEPARTMENT REVIEWS CONTINUED:**
 - a. Asset Development Office (15 minutes)*
 - b. City Manager (15 minutes)*
 - c. Deputy City Manager (45 minutes)*
 - d. Tourism (20 minutes)*
- 7. ADJOURN**

**SUMMARY INDEX FOR
FINANCE COMMITTEE**
April 18, 2017

ITEM	ACTION	PAGE
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2. Roll Call	Quorum Present	1
3. Approval of Agenda	Approved as presented	1
4. Staff Responses to Information Requests	Discussion	2
5. Department Reviews Continued		
a. Parks and Recreation	Approved	2-7
b. Public Utilities	Approved	7-9
c. Public Works	Approved	9-18
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h. City Clerk	Approved	25-26
Lunch Break		
6. Department Reviews Continued		
a. Asset Development Office	Approved	26-28
b. City Manager	Approved	28-29
c. Deputy City Manager	Approved	29-34
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7. Adjournment	Adjourned at 3:22 p.m.	34

MINUTES OF THE CITY OF SANTA FE FINANCE COMMITTEE
Tuesday, April 18, 2017

1. CALL TO ORDER

The special meeting of the City of Santa Fe Finance Committee was reconvened to order by Chair Carmichael A. Dominguez, at approximately 9:00 a.m., on Tuesday, April 18, 2017, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Michael Harris [arriving later]
Councilor Signe I. Lindell
Councilor Renee Villarreal

MEMBERS EXCUSED:

Councilor Peter N. Ives

OTHERS ATTENDING:

Adam Johnson, Director, Finance Department
Brian Snyder, City Manager
Carl Boaz, Stenographer.

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

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

3. APPROVAL OF AGENDA

Councilor Dominguez said the agenda is to include two items carried over from yesterday

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve the agenda, as presented with two items carried over from Monday.

VOTE: The motion passed unanimously (3-0) on a voice vote. Councilor Harris was not present for the vote.

Councilor Dominguez said the Committee is an hour behind in the schedule and should get finished

with today's agenda. He noted a handout that Staff prepared.

4. STAFF RESPONSES TO ANY REQUESTS FOR INFORMATION

Mr. Johnson said the handout is a distribution of property tax revenues which he also posted today on-line and will share with all Councilors. It shows all of the mill rates set for City of Santa Fe (and other government recipients) which is a very small piece of the pie. It is not dollar figures but percentages. He will tie in the dollar amounts later. That was a request from yesterday by Councilor Harris. Staff is now working on how we use the property tax and should have that report later today.

Councilor Dominguez asked what the City's capacity is for property taxes.

Mr. Johnson said there are two capacities: operating mill capacity and debt mill capacity. Residential capacity is 7.65 for operations and on the debt side, it is based on a 4% assessed valuation.

Councilor Dominguez thanked him for the handout and noted the City has room to grow on that property tax redistribution.

Mr. Johnson agreed.

Councilor Dominguez asked if he could also ourselves with others and compare the capacity of each. We have kept it low while other organizations are close to or are maxed out.

Mr. Johnson agreed to work on that.

5. DEPARTMENT REVIEWS CONTINUED:

a. Parks & Recreation

Mr. Carter noted the successes of this past year including starting the first Master Plan, a pickleball tournament; a football tournament at MRC, the 72nd City park at Las Soleras with 2,500 people at the Easter egg hunt and 1,400 cans of food for the Food Depot. He hoped they would finish the Master Plan in the latter part of December. They will host the NMRPA conference for the first time in Santa Fe next April at the Convention Center.

Budget changes included moving temp employees to classified positions; providing 15 more seasonal park staff to work on medians and gaining funds for special events that previously were in other budgets like police, parking and public works. He wanted to bring up each of the four division directors.

Councilor Dominguez recalled that it was decided to have only one division in Parks a couple of years ago. So, the Committee would hear from the one division and the rest of his staff.

Mr. Carter said the proposed budget states the five functional divisions as Parks, Recreation, GCCC, MRC and Administration.

Councilor Dominguez asked if division directors' compensation was part of his budget. Moving them to become division directors would increase the budget.

Mr. Snyder said they report as outlined on page 133. Councilor Dominguez is correct that there is only one formal division and there are four functional areas that report to Mr. Carter.

Councilor Harris arrived at 9:15. Mayor Gonzales also joined the meeting.

Mr. Carter said they have four functional areas.

Councilor Villarreal asked if the organization chart on page 133 was accurate.

Mr. Johnson said it is accurate to make sure the business unit transactions are properly recorded. In many cases, it is a functional area or office and required to have accurate analyses. Our structure forces these separations.

Mr. Snyder said it is the representation of the Department Director.

Councilor Villarreal noted on page 135 it talked about the Recreation Division.

Mr. Snyder said that is the recreation function.

Councilor Dominguez could see why he wanted it to be a division. The Committee talked about it a couple of years ago. We wanted the Parks & Recreation Department Director to take more ownership of the recreation division because there was a lot of work that needed to be done. They decided not to create more bureaucracy and a whole other layer of management. They had an extensive conversation about it.

Councilor Villarreal asked Mr. Carter to talk about the personnel changes as an overview. On page 138, she didn't understand the GCCC narrative.

Mr. Snyder apologized. The bottom line is a lot of temp employees throughout the department are moving to classified to provide benefits but not changing their hours. They are providing benefits as required and paying PERA and must offer the benefits which the employee can take or not. It doesn't make sense to have temporary year-round employees because they cannot be kept for over a year as temporary employees. Those are transitioned to classified status with benefits and PERA and accounts for the added costs.

Mr. Carter said the temporary employees were basically lifeguards, account techs and seasonal park workers and a secretary.

Councilor Lindell appreciated the responsiveness from Mr. Carter and other staff in Parks and Recreation. When requesting information, she hears almost immediately. Last year they talked about software for scheduling for what Barbara López does. She asked if the software has been purchased.

Mr. Carter said they are purchasing *Community Pass* for Ms. López's computer and software that does leads to schedule and Barbara can continue to work on special events and working with ITT to establish a new software for community centers - GCCC, Ft. Marcy and Salvador Perez to allow people to register on-line.

Councilor Lindell gave kudos to Finance, City Manager and Parks & Recreation to move these people into permanent positions. It is the right thing to do. She appreciated the progress on places like Patrick Smith Park as a major turnaround.

Councilor Harris said regarding MRC, that he was trying to reconcile the numbers. On page 71 - CIP fund expenditures, and the subsidy proposed is \$1.371 million or \$55,000 more than last year. So, it is going up. On page 78 for golf course fund, transfers in are \$600,000 for the golf course and \$200,000 for the fields. That accounts for \$800,000 of the proposed \$1.35 million. He asked if the rest goes into the General Fund. And from Mr. Carter, on page 140 amongst goals for MRC, it says the MRC is to become self-sustaining through sound financial management. But with \$1.4 million in subsidies, there is a long way to go.

Mr. Johnson pointed out that on page 78 and 79, the current year budget has a subsidy of \$1.175 million from the General Fund and the proposed subsidy goes down to \$700,000. So, it is going down.

Councilor Harris said it doesn't go down significantly. In the capital improvement section on page 71, the MRC subsidy goes to \$1.371 million. He presumed those were aggregated from the CIP fund.

Mr. Johnson said the majority of that is debt service for MRC. In theory, it should have gone down, because the interest has gone down.

Councilor Harris asked what the true subsidy of operating and capital is, broken out by golf and fields. It seems golf gets the higher subsidy. He asked what the goal is for becoming self-sustaining and how long it would take.

Councilor Dominguez said he has asked for that for a long time. He asked how much is generated at the golf course and what is generated from the fields.

Mr. Johnson said the difference between what is proposed General Fund transfer on page 78 and the General Fund transfer on 79 would total \$668,000 for operations subsidy and capital purchases from 3102 would be \$100,095 plus the 38 for total operating subsidies going to MRC, less the debt service.

Councilor Harris reasoned that the aggregate is \$800,000 for fields and golf in operating and capital. How does that compare with \$1.370 million for capital improvement. He asked if the amount over \$800,000 was for debt service.

Mr. Johnson said that should be accurate and he would double check it.

Councilor Harris said people have been asking for this for a long time and he would still like an answer on the stated goal to get self-sustaining.

Mr. Johnson said those are excellent questions. The separation was done to get clarity on revenues related to golf and fields and portrayed on those two pages as two separate funds. Staff have put in systems to generate more revenue. The subsidy is going down significantly in operating. He didn't know what program changes are needed to make that successful but they have made significant progress.

Councilor Harris said it will take more than a dollar increase for the cart fee.

Councilor Lindell pointed out that we are a municipal golf course and have a sizable debt on it. We are surrounded by golf courses here and on the demographic, ours has clientele mostly of seniors. We raised the fees some and found ourselves not competitive. Cochiti is 50 cents cheaper for seniors. It has been thought about and worked on. It is hard for golf courses to make money and these folks have worked hard to make it *par for the course*.

Mayor Gonzales said many times (discussing parks audit) we don't highlight enough of all the employees are doing and we don't appreciate them enough. There is a good spirit among them to do their absolute best. On page 144, it looks like \$9.6 million in the General Fund is going to support the whole budget. The issue of public support to some of the facilities is critical to keep costs down and they are like enterprise centers and put lots of stress on those who want to use them. The public contribution to make them accessible is key - how to make the contribution, keeping costs low, but also targeting those who find it difficult to access them. He asked if there is a discounted rate for youth.

Mr. Carter agreed. A single senior is the same rate as for youth. Under 18 is \$4 and under 10 is \$2.

Mr. Johnson noted that Perez and Ft. Marcy are in the General Fund.

Councilor Dominguez recalled that last year we compared ours with other municipalities and found that GCCC is offering more than most others do.

Mr. Carter said we also have a low-income rate for underprivileged at GCCC and MRC and subsidizing youth as well. We promote that to the public. GCCC is larger than any other municipal facility in the state. He thanked the Council for backing our parks and recreation.

Mayor suggested it would be good to have some metrics for goals on participation and ways to evaluate or prioritize cost models that are not delivering. As we go forward, those metrics would be very helpful and the community would appreciate knowing how we are investing money in them.

Mr. Carter said Staff constantly look at attendance, complaints, etc so we know when we are busy and when we are slow.

Councilor Dominguez apologized for not seeing those charts on pages 78 and 79. To clarify, half a percent for the MRC was voted on by the voters.

Mr. Johnson clarified that the half percent at MRC is not a voter mandated subsidy but GCCC does have one.

Councilor Dominguez understood, but GCCC is enterprise and has the voter-mandated subsidy.

Councilor Dominguez thanked Mr. Carter and all of his staff, noting he has been critical over the years of Parks and Recreation. It is something that provides access and use by the community. We are at risk for obesity and high diabetes rates so we need to have these programs.

For advertising subsidies, he appreciated what Staff has done to reduce it. GCCC at one time had its own advertising but no longer. GCCC gets the voter-mandated subsidy and more from General Fund. We've never been clear if we will maintain it as enterprise where staff need to generate revenue for it. We have provided incentives for various groups to use the facility. With the General Fund sites, it is different and treated differently.

If we want to operate GCCC like the others, then it should just be brought into the General Fund or if enterprise, to stay out of the way and give them the resources they need. We have depleted GCCC resources so much that it is starting to break down. He explained that there are no expansions in Recreation.

Mr. Carter agreed.

Councilor Dominguez asked if he was comfortable with the present staff levels.

Mr. Carter said he was.

Councilor Dominguez said "Then, so be it. As time goes, you will be making changes. I'd also like to see the idea on what to do with GCCC to get it done."

Councilor Dominguez asked about the shifting of custodians.

Mr. Snyder said he is moving all custodians to facilities. Under the custodial model, they will be assigned a building or buildings. So yes, so under Facilities - the custodians will have a building assigned to them.

Councilor Dominguez asked, if the Site Manager says a custodian has not been there in three days, he would have to call Facilities to fix that.

Mr. Snyder agreed.

Councilor Dominguez asked how many positions Mr. Carter is creating in parks.

Mr. Carter said it is 15 seasonal positions for the plan, starting about July 1 through October and then restart in March through June. As soon as budget is approved we will start advertising.

Mr. Snyder said none of the job descriptions have been finalized and once approved by Council, Matt O'Reilly will work with HR. The positions already exist for those seasonal workers with adequate time for interviews, etc.

Mr. Carter added that he currently has 14 seasonal employees concentrating on medians. The 15 seasonal employees will be in addition to those already on staff.

Councilor Dominguez asked for clarification since it says 14 new employees on page six.

Mr. Snyder confirmed there are 15 proposed new FTE positions as on page 17 and he would amend page six.

Mr. Johnson clarified for the record about numbers for MRC on pages 78 and 79 in comparison to page 71. On page 71, \$1,371,652 is the subsidy to MRC coming from 3102, generated by the half percent GRT, dedicated to capital. It is reduced by \$38,481 on page 79 (capital subsidy portion), and further reduced by the \$100,095 on page 78, equals \$1,233,076 for debt service payment. And on page 216 is the overall debt service for the City next year. Overall, the MRC subsidy, compared with last year, is slightly above \$800,000 so it is cut nearly in half from previous years.

Councilor Harris asked how that reduction of the subsidy to half of last year came to be.

Mr. Johnson said he would call back after he figured it out.

MOTION: Councilor Lindell moved to approve the Parks and Recreation Budget. Councilor Villarreal seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

b. Public Utilities

Mr. Shannon Jones went through the review of projects for Public Utilities in each of the divisions and stood for questions on their proposed numbers.

Mr. Snyder said the expansion request is on page 18 for environmental services and in summary, there are two FTEs requested for the proactive cart maintenance program. A large number of trash and recycling carts throughout the City makes it more efficient but must proactively maintain them. Also, fleet

maintenance has confined space in the yards with only one bay for fleet maintenance and will shift to two shifts' operation when trucks are not being used and a second crew for prevention maintenance. They send trucks to Albuquerque for larger maintenance needs. The staff includes a reclassification to senior mechanic and two new heavy service mechanics. Total personnel are 44 and the only expansion is for the two heavy service mechanics.

Councilor Villarreal recalled when they visited maintenance, it was obvious we need to do something with that facility. The City obviously needs more mechanics but still has ventilation needs and with a switch to add an evening shift, she asked how that would work in the winter to maintain those vehicles in one bay.

Ms. Diane Catanach said they have heating in there in the winter. They can work in there in the winter and we also have other funding for possibly adding bays and get that started. The facility is heated and, as in most garages, there will be open doors.

Councilor Villarreal said they can't close the garage doors and in the winter and that made her think about the conditions there.

Councilor Dominguez asked if there are no rate increases for this expansion.

Ms. Catanach agreed there are none at this time. We are within budget with projected money at end of the year.

Councilor Dominguez was impressed - a true enterprise center.

Councilor Lindell thanked them also. The responsiveness of staff is truly impressive and going toward good solutions for the problems that pop up. Very gratifying.

Councilor Harris said Public Utilities continues to make real strides. He didn't know how Santa Fe Beautiful fits into this and asked if that also fell under her direction.

Ms. Catanach agreed.

Councilor Harris considered Santa Fe Beautiful the City's weak link. In District 4, at Sawmill Road, there is always litter. He asked what personnel there are in Santa Fe Beautiful.

Ms. Catanach said in Denton where she previously worked, they had better funding. The recycling roll out has been her main concern. When we got an outreach coordinator, she put it under Santa Fe Beautiful. Most of the funding only comes from the New Mexico Beautiful grant. Hopefully that will continue but it could be in danger. Santa Fe Beautiful could probably do more fund raising.

Councilor Harris said litter pick up needs more consistent attention. He didn't know if the languish is lack of funds or just the structure. We need to invigorate it and do a better job of picking up litter. Wastewater looks healthier. He would like more detail on what is behind the difference.

Mr. Jones said Wastewater just finished the 3rd of a 5-year increase. The final one will be January 2019 on approved rate increases. There are several revenue streams generated by the rate structure.

Councilor Harris asked if it has a fund balance.

Mr. Johnson agreed. The high balance is related to the CIP plans.

Councilor Harris thought the 5-year Master Plan was still underway.

Mr. Jones said both were completed last year. The total was about \$32 million.

Councilor Harris wanted to spend some time on that revenue stream to understand how the 5-year MP would be financed. This is a healthy fund balance. He understood there is discussion with the airport, driven by FAA, to either lease or purchase the wastewater plant on airport property. He'd like to see a purchase sooner than later. He believed it is a well-run department and has a good revenue stream and over \$15 million for a fund balance. The decision at the airport needs to be done soon.

Mr. Snyder said once the MP was completed, it fit in with CIP and rates are driven by capital improvement needs. A bond is planned in 2020 and he could give more detail on that. For this year regarding FAA, we would pay for a one-year lease (either calendar or fiscal year) for wastewater and then anticipate buying it once the appraisals are completed.

Councilor Harris said the FAA has been saying for a while that they want us to clean that up - either a commercial lease by Wastewater or a purchase. It is also the police shooting range.

Mr. Snyder said the FAA is concerned to have all leaseholds done, including these two and all the other leaseholds. We want to get that completed and get underway with purchase.

Mr. Jones said it is about 110 acres.

Mr. Snyder said the police range is smaller. We would have to look at what makes sense for us long term.

Councilor Dominguez recalled he was on the Planning Commission when they had the water wars and during his first years, there were Staff hanging onto the back of the trash trucks.

MOTION: Councilor Harris moved to approve the Public Utilities budget. Councilor Villarreal seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

c. Public Works (45 minutes)

Mr. Johnson said Public Works is not his expertise. He pointed out an error in the street paving section. He deferred to Mr. Schiavo.

Mr. Schiavo went through the six different divisions.

Facilities has four sections: CIP, Custodians, Locals and Maintenance. They have 41 FTEs now and proposed to have 57 FTE from moving all custodians under Facilities. That would move 13 custodians in order to provide more consistent service and better redundancy. The total cost is \$99,000 per year. Dave Pfeifer feels we will get much of that back through better control over supply purchases.

The next expansion is for two HVAC technicians and one electrician, at a \$340,000 cost, and needed to maintain city buildings.

Streets and Drainage, in 2009, lost 7 FT employees and in 2016, lost 9 temporary employees. So, they propose to use an on-call contractor at \$300,000 for potholes and minor street repairs. They asked to purchase a Vactor truck at \$400,000 for storm drain cleaning and lastly, to move the Stormwater section to the Engineering Division. The move would be two FTE positions in Engineering and be a better fit for Stormwater because their work is engineering work. And the Grant writer would move to Engineering to get capital grants. They also asked to purchase two utility trucks at \$40,000 each for signal shop and one large truck for paint and sign shop at \$90,000. The last is a full-time ADA coordinator position in Engineering to address road projects. The budget showed 5 FTEs added in the budget book but they are going with the on-call contract instead.

Transit requests an increase of \$2 million for bus replacement (\$900,000), increased CNG costs (\$100,000) and a paratransit vehicle replacement (\$242,000), contingent on an NMDOT grant award and an increase of service to other departments (\$100,000).

Transit revenue is from GRT, grants and fees total about \$7.5 million. NCRTD provides about \$950,000. Transit collects about \$300,000 in fees for transit from riders, USDOT revenue is projected to be \$1.53 million and about \$300,000 from lodgers' tax for transit functions.

Transit proposes personnel changes without cost changes, removing three present positions and creating four new positions.

Parking revenues are projected at \$5.8 million and expenses at \$6 million. The \$278,000 shortfall was for repayment of parking garage debt service at the Convention Center. The annual debt on the garage is about \$950,000 per year. The budget book offers an option of having the debt service paid by other funds or reducing staff by ten positions. He recommended the \$278,000 be covered by Lodgers Tax and use of the new automated parking revenue control system. If that is approved, an RFP would be issued early in the fiscal year. The system costs would be roughly \$800,000 to \$1 million. To pay for it, he recommended a loan from CIP for that amount. Noel anticipates a \$230,000 savings per year with the automated system implementation for a payback over about 5 years.

Airport revenue up 24% or \$730,000, associated with land rental fees for the police impound lot and wastewater management. The total budget for the airport is \$3.6 million. This is the closest the airport has come to self-sustaining. They only asked for \$105,000 from the General Fund this year. Passengers are up 10% over the previous year.

Councilor Dominguez thanked Mr. Schiavo for this report.

Councilor Harris thanked him too but wish they had his sheet in front of them. He had heard that the Streets on-call contract was \$300,000 and then heard \$600,000.

Mr. Schiavo clarified it is \$300,000 for on-call service and would provide assistance to staff for potholes and minor street repairs.

Councilor Harris said he got a call from a constituent regarding sidewalks because there was a crew out there at her house. He visited with them as they waited for a concrete truck. This is typical to have to pull guys from other crews to pour a sidewalk. They knew what they had to do. He wanted to see Streets continue to provide as much staff support as possible to do pot holes correctly and maybe bump up the on-call contract a little.

He didn't understand the budget numbers on page 171. He asked if that change was from moving storm drainage. Mr. Schiavo agreed.

Councilor Harris said the staff does need to clean up the leaseholds at the airport. The leaseholds can provide greater support.

Councilor Harris asked for clarification on the Transit budget sources. Mr. Wilson explained them to him.

Councilor Harris said this is a longer conversation and has been raised many times. He saw the popular bus routes in District 4 cross paths at Rodeo Plaza. It would need more attention to make sure our routes are correct and he also wondered why the City runs the big size of buses. We spend a lot of money on the Transit Division. It is something we need to acknowledge.

Mr. Snyder said the negotiation with the NCRTD is to be wrapped up in April so he would like to hold this conversation until that is ready. The level of service and staffing, is why Keith Wilson agreed to dual roles with leadership in Transit until we can decide one way or the other. He didn't have a sense of where it is going yet. He would like to have that conversation then.

Councilor Harris said he had conversations with Rosemary Romero and Keith Wilson about those options, just acknowledging the budget discussion.

Regarding Parking on page 171, the summary by division goes from \$7 million to \$6.7 million - a slight decrease. He read with interest the argument for relief on the debt service. Maybe it is a reasonable

approach. But he didn't understand how the automated system would save money.

Mr. Correia explained that the system proposed will eliminate the manual process of the present time. So, a driver can use a credit card to enter and use it on the way out and the fee is calculated accurately. It reduces the manual calculations because the present system cannot calculate the fee. So, accuracy increases the revenues. He said he has done this in other places and a 12-25% increases resulted. It eliminates undercharges.

Councilor Harris reasoned that it would provide increased efficiencies in keeping track of the revenues and eliminating waste in the manual system. He asked if that is being proposed in here.

Mr. Johnson said it is not in the budget. We await results of the RFP and then would identify the loan terms and a request a BAR for the purchase.

Councilor Harris asked if the loan would be from the CIP reallocation.

Mr. Johnson agreed because that allows the most flexibility. And for the convention garage, it would come from Lodgers' Tax. As discussed in the debt policy and proposed debt policy, this is the type of loan we would target and not go to the market.

Councilor Harris supported it for a 3-year payback. It is a measure of self-discipline to structure the terms appropriately. He asked if there is any discussion about parking fee structure and structure of the fines. He gets more complaints about a \$35 fine for a meter that runs over. What kind of assessment has taken place since that structure was done?

Mr. Correia said there were no changes proposed to fees. On street parking is a success. The goal was to have 15% vacancy minimum and now we have that kind of vacancy. The study was done by professionals and is a standard across the nation.

Councilor Harris said a large part of that was meter swap out. He asked if that was completed.

Mr. Correia said they were 100% swapped as of September 2016.

Councilor Harris asked if garage parking is up.

Mr. Correia said currently it is slightly behind but catching up and will meet projections in the present budget.

Councilor Harris asked if the custodial staff will take care of the restrooms at the San Francisco Street garage.

Mr. Schiavo said they will.

Councilor Harris wanted to make sure the structure for fines and parking are meeting expectations. We have given parking time to settle things out and should know what is working and what is not. He was still getting a lot of complaints.

Councilor Villarreal thought we were at a level of staff that we should not cut.

Mr. Johnson said we would need to either reduce staff or the debt service.

Councilor Villarreal asked if we are in the red. How are we doing as an enterprise fund?

Mr. Snyder explained that the budgeted \$6 million in expenditures and the \$5.75 million in revenues result in a delta that is \$278,000 short. One way to balance it is to reduce the debt service or to reduce staff. He is recommending reducing debt service.

Councilor Villarreal said the actual generation for the garage is \$250,000 and this change didn't make sense to her. It will shift from the Convention Center and asked if there is a percentage.

Mr. Johnson said that is correct. We are proposing to shift it again and sustainable fix for coming year. The ultimate goal is shift to a model where the revenue would contribute to debt service and have the automated control to make the full shift occur. It requires a little more analysis to get to a number that makes sense for the Convention Center and Tourism as well as parking. His analysis is that the bond holders of that debt is pledged by Lodgers' Tax. The Governing Body can approve a change if it is not working. Parking would be the operator of Tourism's garage and it would go to debt service and would align with the incentives both within Parking to get that garage to be full and also within Tourism to fill the garage.

Councilor Villarreal asked what the timeline is for the analysis.

Mr. Johnson said this is the first step and we need to move forward with the RFP. So, during the course of this year, we will have a clear model to propose in the next year to reach the goal.

Councilor Villarreal asked if the Parking Division is not sustainable because of the debt service.

Mr. Johnson agreed.

Mr. Snyder said definitely debt service is a component but free parking is also a component.

Mr. Correia agreed. That is about \$480,000 in lost revenue.

Mr. Snyder said all these things affect the bottom line. A comprehensive study in conjunction with Councilor Harris' request should be done.

Councilor Villarreal said, "If we relieve parking from that debt service we should have flexibility in garage rates. I want that to be a priority. I don't think we need to continue the rates we have. We need

another option for using garages downtown. I'd like to consider something - maybe an hour free."

Mr. Johnson pointed out that one benefit of Mr. Correia's proposal is that we cannot capture the data with the current system and the new software would allow us to know. So, with every person that comes into the garage we could drive folks downtown.

Councilor Villarreal added another issue is that there is a lot more turnover downtown than happens at the Railyard. She would like another rate for meters at the Railyard, especially for Saturday only for the Railyard. She asked if that is included in the staff proposal. Saturday's used to be \$1/day and it is unrealistic now. But there are issues with people feeling that they don't have enough time before they get a ticket.

Mr. Correia said they did an analysis and found that more than 65% of parking at the Railyard garage goes unpaid with the movie theater there. That is a huge issue right there. It is full on weekends with almost no revenue coming in. Those costs exceed the revenue coming in even with the rates we have now. The whole set up is not the way a typical garage gets paid for.

Councilor Villarreal asked if they could look at it again on Saturdays. She also wanted an agreement at the State parking structure to have it open. A few people have asked about it. It is only open Monday through Friday and not on weekends.

She believed the automated system will help. If we can get that working and messaged well, including to pass holders, the City will be better off.

Councilor Villarreal asked how much will be saved with the HVAC technicians and one electrician over an on-call contract.

Mr. Dave Pfeifer said it is close to cost neutral but we would benefit by having the employees. The contract costs more than their prevailing wages and increased material cost.

Mr. Snyder added that Ameresco showed a savings. Bringing these three skill sets in-house enables us to operate better and we can monitor it better. The other anticipation is with Santa Fe University uncertainty and it makes sense to maintain the facilities.

Councilor Villarreal recalled he said the on-call would be needed for more technical needs. She asked if that will shift also.

Mr. Pfeifer said on-call is a different service. These three staff are to do maintenance mainly. HVAC installation requires cranes and we don't have that capability. Maintaining to keep from replacements is the goal.

Councilor Villarreal asked about the ADA coordinator.

Mr. Snyder explained that Dave Chapman stepped up when the ADA coordinator retired and combined the responsibilities. Now we need to separate the Grants Administrator from the ADA Coordinator. The Grant Administrator pays for itself. The ADA Coordinator as a full-time position will support the Mayor's Committee and also the engineering for internal designs, making it a full-time job. With old buildings, it is a challenge throughout. We will then have to seek funding as we upgrade buildings. Seeking federal and state grants could bring more revenue.

Councilor Villarreal asked how much of the \$100,000 is for benefits.

Mr. Johnson said in general, it is 34% across the City but it is more expensive if the wages are less.

Councilor Lindell thanked Mr. Schiavo for being responsive. Regarding parking, it is hard to have it both ways - hard to ask them to be an enterprise fund and yet give away free parking valued at \$500,000 per year. If we continue to ask parking to be enterprise, we have to temper what we ask them for: payment on space and honoring previous commitments and giving theater patrons free parking. We have to look at ourselves to fix that situation.

She asked if the City is current at the Airport in collecting on leases and airline payments.

Mr. Humphres said no but they are making progress. One of main challenges was looking back at uncollected revenue. He had an audit of collections done. American has submitted past due balances and United is still working on it. The airport financial tracking systems are not robust. We had 40 lease agreements and they are not loaded into the City's E-1 system. So, we need a complete audit of all of them for tracking. Based on a rudimentary review, we are in pretty good stead but still have more work to be done.

Councilor Lindell said the leases are low hanging fruit and is owed to us. For personnel, the budget shows 8 staff. There are currently 5, but only 3 are filled

Mr. Humphres said the agreement was that we would build revenue streams before hiring. We audited airlines and American sent a \$400,000 check and then he asked to fill those vacant positions and got authorization. They are now working on filling them.

Councilor Lindell encouraged Mr. Humphres to fill them right away - before we start looking at vacancy savings.

Councilor Lindell reported their tour of the garage on Siler Road and asked if there was anything in the budget for improvements to that work station.

Mr. Schiavo said no. any improvements would be budgeted from Public Utilities, not Public Works.

Councilor Lindell was horrified at their conditions for work to keep vehicles on the road and was astounded they could do their work. The conditions are as poor as they can be.

Mr. Schiavo understood they put in funds for another bay.

Mr. Snyder said he spoke with Tomás about the swing shift and having additional six hours of un overlapped service will help. They think that will go a long way to help with the facility. Transit has 4 bays now in a beautiful facility and definitely a challenge for Solid Waste. They are looking at how to maintain the fleet with oil changes, tires and wipers. It is a huge challenge. Transit is a model for how we operate efficiently and in good conditions.

Councilor Lindell said good conditions in that building are needed to do their work efficiently. Ever since the tour, it has been a priority for her.

She also was hoping to initiate a parking wayfinding system to get people into the garages more easily.

Councilor Lindell thanked Mr. Schiavo for stepping over into a role in addition to his primary work.

Councilor Harris, as a follow up on his thoughts with Streets, said the gas tax was mentioned in passing and Councilor Maestas brought it up. After the dust settles on the budget, He believed they could get further on with street maintenance to have a 2-cent tax that would raise a little over \$1 million. We should talk about it in the future.

On page 171, the summary sheet, he saw they are at \$3.5 million in the current year and going to \$5.8 million in the proposed budget. The move of custodians makes sense but that wouldn't account for all the increase. The increase appears to be \$2.3 million.

Mr. Johnson said he would make sure it all ties out.

Councilor Harris thanked him.

Councilor Harris understood having 3rd party procurement in emergencies, but for the stucco work, he would like to better understand when that should be done. He didn't need an answer right away.

Councilor Dominguez asked why the airport positions are not filled already.

Mr. Humphres said one of the caveats was that we had to build the revenue streams to support the staff. And it was agreed that he would not hire until those were achieved. It was an agreement with the City Manager. We have them in place now. We have hired two and in process for two more staff.

Councilor Dominguez asked about the agreement.

Mr. Snyder said the context last year was a staff of the Airport Manager, two maintenance and one financial management person. The leases support existing staff who do everything there. The context of last year was to get off the subsidy from the General Fund and make the airport a revenue-supported operation, although not necessarily an enterprise fund. It also has subsidies from grants.

Councilor Dominguez clarified that he was not critical of that but just frustrated with the vacancies we have. He thanked Councilor Lindell and Councilor Villarreal for the Parking comments. The public wants us to build more parking spaces but want cheaper rates and we cannot have it both ways.

Regarding Transit, he understood on page 171, that the FTA budget goes from \$205,000 to \$1.1 million. He asked if that is because we are anticipating a grant.

Mr. Wilson thought that is a general operating grant from FTA.

Councilor Dominguez asked if it runs on different cycles.

Mr. Johnson said he would need a little time to focus on that. On page 61 there appears to be a significant transfer in. It also re-budgets the grants, once signed, to have reimbursement on time and not sure it was hung up from an audit finding. He could have it answered this afternoon.

Councilor Dominguez pointed out where Santa Fe Trails "went through the roof." The balance is zero.

Mr. Wilson said that was an old grant program that expired in a previous year. It was an FTA Welfare to Work program and only listed here because it looks back. We no longer receive it.

Councilor Dominguez said we cannot depend on state or federal grants now.

Mr. Wilson said the City receives recurring 5307 formula funds and another specific grant for capital projects that is being used to upgrade bus stops.

Councilor Dominguez asked about the debt service shown in the proposal is \$345,000.

Mr. Wilson said it is an NMFA loan that expires in 2026 for purchase of seven buses in 2015.

Councilor Dominguez asked if there is no expansion of drivers.

Mr. Wilson said the proposal includes a Division Director and an Operations Director and a new position for overseeing grants which is the position he currently is filling; a new mechanic position and two lead supervisors, allowing them to be on the field more. About \$900,000 is for bus replacement. We need to replace four and want to replace 2-3 of them this coming year. The attempt is to get bus replacement on an equal cycle for each year. We also need to upgrade the CNG facility and were going to build it but it didn't work out so we will do an RFP for a lease.

Councilor Dominguez saw the replacement as a capital expense and didn't see why we don't say that a little more.

Mr. Johnson said he is working to differentiate capital projects and capital outlay. Right now, capital projects are still in the operations budget. He has discussed it with Councilor Ives and would have a section

of the capital budget for those items being purchased.

MOTION: Councilor Harris moved to approve the Public Works budget. Councilor Lindell seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

d. Finance (15 minutes)

Mr. Johnson went through the highlights and changes. The one expansion is a Financial Analyst II. He explained this is his first attempt to organize by tearing down some "silos" that existed and establish a ladder for career promotions, secure an institutional knowledge for attrition. He needed the ability to promote people. The expanded staff is to work on the annual audit. The model he wants is where each department would have a liaison to answer all finance questions where now, it is separated.

The two most important functions are creation of the financial timing document and create a historical record of what happened (CAFR). This is the first step toward that extra support the changes coming in Finance. There was a request in Procurement to add a position and that did not get supported. Right now, we are looking for technology for a more automated RFP process. Once we find those efficiencies we would look again to see if staffing needs to change. We are just getting started with it.

Another is in the Treasury Division. We made big strides on management of cash with two additions and we are impressed with the results of their management of portfolio and better ROI. Some changes are reflected in the current year and will continue. We analyze the Bloomberg terminal for daily trades. It has paid for itself. We didn't have that information in the past to know if our advisor's recommendations were very good and now can get them on a second-by-second basis.

In addition, we are transitioning on benchmarking of the portfolio. We have one of two models - either external advisors or internal. We have internal with the Treasurer to see how we are performing against the market.

The grant writer will no longer report to the Finance Director since grants are focused on capital and more a function of engineering. So, we are putting grant writer with folks who manage the projects.

The previous Finance Director had collapsed to one business unit and he didn't favor that. We need to analyze each business unit by function.

The total delta in the budget is flat with the exception that we are now charged by ITT for use of their system.

Councilor Lindell commented that this has been a much more understandable process this year. Page 180 - current budget for salaries, wages and benefits goes to \$4.5 million proposed. But it is only one person - the comptroller.

Mr. Johnson said he would dig into the detail and bring it back. He thought the increase is from having the Treasurer for a full year and salary and benefits for both should make up the difference.

Councilor Lindell appreciated the way Mr. Johnson communicates and this is far superior to the process in the past two years.

Mr. Johnson thanked her for her support.

Councilor Harris considered Finance one of our high functioning departments, not only for Mr. Johnson and but also the people hired on the team. These are great accomplishments. Keep up the good work. He appreciated that Mr. Johnson is very ambitious.

He asked about Risk Management, where certificates of insurance are not there but the PSAs have that standard language and many times, it is not appropriate. He'd like to get a much better understanding of professional liabilities, what the waiver meant, etc.

Regarding claims, Councilor Harris saw language for an internal service fund. Under the current budget, those were assessed to departments. He asked if the \$2.1 million in claims and going down to \$2 million was all of it. He wanted to know what kind of claims were received. He was most interested in liability claims rather than Worker Comp claims. He didn't have any sense of the premiums paid and claims made, etc. He would like more information on that and when the identified process is not required. He noted the liability on the fuel depot at airport is very high but no certificate is provided.

Mr. Johnson agreed it needs to be better managed. There was hold over language that a certificate was submitted, once the contract was approved. That needs to be in place before approval. Some smaller ones could be done afterward. He wants to make sure that is in place before approval. We haven't closed the loop all the way. Generally, we run the waiver process through. After the recession, it began being waived and not going through Risk Management but directly to the City Manager. We now have a process and it is much harder to get a waiver. Most small vendors don't understand the policy, but they come to understand that it would help them get more business. Some is based on actuals and he is working with Andy to estimate claims for the coming year for better understanding of hot spots and coverages and lines. He would be glad to bring a presentation on it to Finance Committee in the future.

Councilor Harris agreed that would help and would like to see that.

Councilor Villarreal was disappointed to see not another staff person approved for procurement with the heavy lifting they have in RFPs and contracts. She knew he was trying to find a more efficient way but wondered if there was another reason for not granting the request.

Mr. Snyder didn't agree with the approach to throw more staff at a problem. We need to work smarter with more efficiency to help Mr. Rodarte work better in the process for generating RFPs. There is technology out there for greater efficiency. After getting that efficiency, we can discuss it. The ability to handle the work load has not changed. We need to figure out how to allocate staff and look at efficiencies

internally before approving more staff. He has had many conversations with Mr. Rodarte over the years about that.

Councilor Villarreal asked what the timeline for looking at efficiencies is. It is a busy dept.

Mr. Snyder said the IT Governance Committee can look at it and make recommendations. There are a whole number of approaches and, going forward under Renee Martinez, is a priority to work through and we want the software to not create more work for staff. He estimated one calendar year but didn't know how long it takes for the training.

Councilor Dominguez pointed out that we've gone through several finance directors and made a complete change in how they are handled. Congratulations to Mr. Johnson and staff at every division for the pivot.

MOTION: Councilor Harris moved to approve the Finance budget. Councilor Lindell seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

The Committee recessed at 12:20 p.m. and reconvened at 1:10 p.m.

e. Human Resources (15 minutes)

Ms. Lynette Trujillo said they are not requesting an increase in budget. The training assistance program is going to promote for employees going for education so they can be promoted within the City itself. There are 91 vacant classified positions, 156 temporary vacancies, 3 term vacancies and 3 exempt for a total of 223 vacant positions and trying to get those numbers down. Of the 91, there are 10 in police and 12 in fire and they will hold two fire academies this summer. 76 have been vacant or over 2 years - most of which are temporary positions.

The Health Plan is doing well to maintain the \$5 million balance and they are not increasing premiums in medical or dental coverage. We have worked with parties and a third-party administrator to get those costs down.

Mr. Snyder noted the summary hand out for it with a breakdown on the various plans and premium schedule and what Ms. Trujillo was referring to on fund balance and what it looks like for next year. The increase is only 2% and, on line 7, those numbers will change as we move forward on how things change for Aon and Cigna. Cigna is working with us to keep costs down and educating employees on how to keep their costs down. Lots of people use the ER as primary care because their co-pay was low. We've moved away from that. They are using Urgent Care more for common colds and use ER for more high level medical needs.

The projections show increases over the next three years and will be trued up as we move forward and

staff will work with Cigna on keeping the rates as low as possible

His commitment is for \$8.84 million as a target. With costs going up every year, the balance gets reduced and this is to try to keep \$5 million balance at end of year.

Ms. Trujillo added that Cigna is helping with new programs including going to the Web MD program so a physician can be contacted for small things over the computer. If someone has a chronic illness or injury, it would help them through the process without seeing a multitude of doctors.

We also are going to a retail prescription service. Claims to date are over \$11 million, with \$2 million for prescriptions and medical claims at \$731,000. So, it is on target to meet our costs and 7.8% below the norms.

The Wellness program is going well to make sure employees utilize it.

Mr. Snyder said what is proposed had an oversight regarding training coordination and is included in this budget. It is in line with training efforts in departments and at the HR level. A training coordinator left a couple of years ago and the position was eliminated during budget cuts. He would like to include an HR trainer in the budget. It would be a \$100,000 impact for the position but he proposed it as an expansion or as Ms. Trujillo proposed, to reclassify one from vacant positions.

Councilor Villarreal asked what the HR trainer would do.

Mr. Snyder said the person would implement a training program city-wide with more robust employee orientation and monitoring so that all employees get the training they need - for front line and mid-level especially. To transition to supervisor, needs help for them with adequate training at all levels. Chief Gallagher developed a good portion of that program. So, this is taking what he has built and implement in the program.

Councilor Dominguez asked if there is already a job description.

Mr. Snyder agreed it exists already and they could just reclassify another position and look at this for this fiscal year.

Councilor Dominguez looked for the training budget on page 183.

Mr. Johnson said it is rolled up in other operating costs so you can't see it alone.

Mr. Snyder said the funding proposed is \$150,000 for training. It is just additional funding. It is now \$130,000 so just another \$20,000 into that.

Ms. Trujillo said the reason is because it is first come-first served.

Councilor Dominguez thought it is great to have tuition assistance but we must be fair in its implementation. Often only specific people get that help.

Ms. Trujillo said there is a policy and the maximum for anyone is \$1,600. The majority use it in the fall semester and in the spring, we start running out of money and the \$20,000 is to fill that gap in the spring and summer.

Councilor Dominguez asked how we decide if some departments are more stressed than others.

Mr. Snyder said it is done on scheduling of classes.

Councilor Dominguez supported continuing education but we must be careful with that balance and not increase overtime budgets. Also, we started the wellness program to make health costs go down but they are not. He asked if the program is not working.

Ms. Trujillo said it is working and medical claims are reduced from it. Right now, we have 5 extraordinary cases. Critical cases happen that we can't foresee. It also is affected by the insurance market. Even though the numbers don't reflect it, the insurance industry continues to rise. The effectiveness is reflected by no increase in premiums.

Councilor Dominguez noted we anticipated those outstanding issues and all employees would get healthier and reduce absences. He was not suggesting getting rid of the program but the promises made are not coming to fruition.

Mr. Snyder said he could ask Cigna to demonstrate to us how the wellness program helps us and bring that back.

Councilor Dominguez thought the success would be reflected in the medical claims projections.

Councilor Villarreal asked about certification assistance in tuition assistance and if we are getting AICP.

Ms. Trujillo said some departments use it more because of certification so that is why we moved it into tuition assistance.

Mr. Snyder added that some departments also put training in their budget and is included if they provided justification.

Councilor Villarreal wanted to see the HR Trainer provide cultural competency to our staff.

Councilor Dominguez asked for motion with HR trainer reclassification.

MOTION: Councilor Harris moved to approve the HR budget with the Trainer reclassification. Councilor Villarreal seconded the motion.

Councilor Harris asked about updating of rules and regulations. He recalled her intent to send the new handbook out by June 30.

Ms. Trujillo said that is still on target.

Councilor Harris was disappointed with the background checks issue and asked where it ended up.

Ms. Trujillo said it went out for a second RFP and had 12 proposals. The company that was in the top two is in the top two again. But before, it had not included everything. She will bring a recommendation in the next two weeks and have interviews of the top three candidates.

Councilor Harris noted in the handout a series of increases that fall to the City. And the employees' portion is fixed. He asked if that is by contract.

Ms. Trujillo agreed and an increase would go to both sides.

Mr. Johnson agreed.

VOTE: The motion passed unanimously on a voice vote.

f. Information Technology & Telecommunications (15 minutes)

Ms. Irene Luetzgen, newly hired IT Director, said she came from CYFD as IT manager for 14 years.

ITT has four service areas: Administration, Infrastructure, User Support, and Enterprise Applications. Two staff report to her: an IT Project Manager and Chief of Security. In the budget is a \$2.1 million budget increase. She learned that we are in a cost allocation exercise to more effectively plan IT investments.

Councilor Dominguez had a question on page 190. Mr. Johnson had said IT would absorb some department budgets.

Mr. Johnson agreed and moving it from General Fund to the internal service fund and charging it back across the City was based on the number of assets that require attention from IT portions such as accounting software for Finance.

Councilor Dominguez asked how that is captured in the budget. He saw an increase of \$2 million.

Ms. Luetzgen referred that to her colleagues.

Councilor Dominguez asked where is the increase is captured.

Mr. Johnson said it is in supplies and other line items.

Mr. Snyder added the 7-year computer refresh of \$210,000 across the city-wide, based on needs and work orders to make sure they have the tools to do their job.

Councilor Dominguez asked how it works with enterprise funds. Will they be charged for services?

Mr. Johnson agreed. All will be charged in the same way. They would operate as if they were a contractor.

Councilor Dominguez asked if paper costs have to be done that way.

Mr. Johnson said paper is not a computer service.

Mr. Johnson said management of wireless and phones budget is now simpler because IT pays the contract and charges it back.

Councilor Harris said he had a good sense of the internal service model so all departments are affected by this model. To be clear, he asked where a change order would fall; in CIP or this departmental budget.

Mr. Snyder said it is in CIP.

Councilor Harris thought the internal service model made sense and IT is a good place to start with it.

MOTION: Councilor Harris moved to approve the IT Budget. Councilor Lindell seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

g. City Attorney (15 minutes)

Ms. Brennan said the budget is largely flat. The increases including moving some staff onto the attorney payroll that were previously elsewhere - like police and water. The other costs category includes supplies and software used in Municipal Court. There were contract price increases of charges from Westlaw in the 3-year contract for software and hard copy books. She requested an expansion for changes in IPRA. There are more electronic requests and we must rely on IT because individuals are not always good in searches and high voluminous requests.

It makes sense to have a position in IT. It is more costly because of more expertise needed for the searches. We felt we could achieve it with lower personnel costs. Besides searches, responding to IPRA requests, to work with Clerk in posting everything on the web and also Land Use and Procurement on the web is increasing. We could use the person for contract administration. We review contracts and somehow digitize and send out ticklers.

We also thought it would be nice to digitize attorney files and archive them. City policy now is to destroy

after 10 years and that is sometimes a mistake. This person would work on assisting people in contract administration also. So that is the expansion and accounting for increases.

Councilor Villarreal asked if the use of other attorney expertise remains the same.

Ms. Brennan said the budget amount is \$50,000. Last year we used \$5,000 but she anticipated they will use it this year. Outside opinions can be quite costly. And the City may require us to incur some legal costs. We are doing a lot of litigation in-house now instead of outside contracts.

MOTION: Councilor Villarreal moved to approve the City Attorney Office budget. Councilor Harris seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

h. City Clerk (15 minutes)

Mr. Snyder said the City Clerk is not available today but can be tomorrow morning. Her budget is flat except for one item. Nothing has changed with staffing. Last year we did not finance the campaign fund but it is in this year for \$150,000 for a projected balance of \$833,000 and should be sufficient for the upcoming election.

Councilor Villarreal said there has been discussion about a possible match for public funding elections and Councilor Ives was leading that effort that is stalled now. A possible resolution will come forward for a match to what we currently provide to bump it up a little further.

Mr. Snyder had not heard about that.

Councilor Villarreal said that was also recommended by the ECRB. It is another formula to look at.

Mr. Snyder said it would fall on the current ordinance. He was hearing some sort of match from another fund.

Councilor Villarreal agreed.

Mr. Snyder would recommend moving forward with the \$150,000 and if it changes along the way, the fiscal impacts reports would be discussed in that process.

Councilor Harris asked how the \$85,000 for the special election in this budget year was funded.

Mr. Johnson said when the resolution was passed, a BAR with the General Fund was approved.

Councilor Harris said along with the training for the next election, there should be some training and a

handbook provided to new Councilors. He and Councilor Villarreal came from the Planning Commission and both of them addressed that with the ECRB for newly elected officials. We can do a lot more than we do now.

Mr. Snyder agreed and would work with the City Clerk and City Attorney to provide it in-house. That would not require a BAR but would be more than just handing out a handbook.

Councilor Dominguez said other councilors could benefit from some training. He went to the Municipal League's training.

MOTION: Councilor Harris moved to approve the City Clerk budget. Councilor Lindell seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

BREAK FOR LUNCH 12:00 PM - 1:00 PM

The lunch break was provided for above.

6. DEPARTMENT REVIEWS CONTINUED

a. Asset Development Office (15 minutes)

Mr. O'Reilly said he knew the budget book has a very brief description of his office's work. But this year, as part of results based accountability, we tried to describe in more detail and quantify what his office does. There are four program areas in asset development: Revenue Generation involves sales of property including managing sales and includes non-cash transactions such as land transfers. Identification and allocation of city-owned real estate and city-controlled property and support service for other city assets. We also target efforts to problem areas like St. Catherine's and assistance to nonprofits. We look for opportunity for legislative change and target growth within the city.

The office has two staff. City residents expect effective use of city property. Information services involve providing real estate information to the public such as title searches, liens, foreclosures and other court actions, reports to the City Attorney and Land Use Department, special services to various departments and private property owners regarding ownership, rights of way, easement disputes, etc.

They have responded to 1,032 individual requests for information over the last 2.5 years. They worked on twelve different ordinances and resolutions. They completed a number of leases - both cash leases and service leases - such as Food Depot, Kitchen Angels, etc. They spent a lot of time on employee leases at various city properties for the police. With Market Station, he has been in bankruptcy court and did a lot of work to get Zia Station open. There are also issues around St. Kate's and the new fire station on South Meadows. He stood for questions.

Mr. Snyder added that we are asking for an additional staff person as shown on page 10 - a mid-level person as we move forward where we are expanding. It really is 1.25 people as Ed Vigil is pulled in many directions. Mr. O'Reilly has a wealth of knowledge, not just in asset development but other areas around the City. He supports the third person.

Councilor Harris said Mr. O'Reilly is doing a tremendous job and he supported the third FTE, based on what he has done and the ambitious list in the goals. There is probably a good person out there to work with him.

He asked if Mr. O'Reilly gets involved in the leases at airport.

Mr. O'Reilly said they are handled by the Airport Manager but Mr. Humphres is reaching out for help on them. Generally, they are not things he has been working on. They manage 51 leases and none are at the airport.

Councilor Harris suggested that, as his work load allows, the whole Jet Center package could be helped. He had asked questions when Mr. Humphres was out of town.

Mr. Snyder didn't disagree. That was part of his request for additional positions last year. There is appropriate staff that comes along with the transition. Some are to manage those leases.

Councilor Harris said there are so many things going on at a modern airport that need extra attention on those leases.

There are software upgrades, CIP, and discrete packages. He asked Mr. O'Reilly if he was getting what he needed for all of it. There is the issue of historic documents, real estate files and records that need to be kept for a long time.

Mr. O'Reilly agreed. About every 6-9 months in our analysis, that comes up. Ed Vigil keeps good track of paper records that go back many years. In the budget is money for lease software so we can track and be notified when things are due like rent increases. We now use Excel spreadsheets and hope we can have the budget approved. The software is not expensive and if it works out, it could be used at the airport as well. In a broader sense, we would like to have all historic documents scanned and stored somewhere. We hope that person would be able to organize and cull files and prepare them for eventual scanning.

MOTION: Councilor Harris moved to approve the Assets Development budget. Councilor Lindell seconded the motion.

Councilor Lindell said Mr. O'Reilly's accomplishments over the last year are sizable and goals for next year are sizable. Her concern is to be able to find and hire a person to take over part of the workload so Mr. O'Reilly will be able to take on these projects. There is no other expansion she was happier to see.

Councilor Dominguez agreed and Councilor Villarreal appreciated his helpfulness.

VOTE: The motion passed unanimously on a voice vote.

b. City Manager (15 minutes)

Mr. Snyder said his budget is large and complex but has no expansion requests. Page 214 shows there is a reduction of \$2.5 million. The budget includes the Deputy Manager, PIO, Emergency Management, and Constituent Services. Affordable Housing, Economic Development and Internal Audit are listed separately. He stood for questions.

Councilor Villarreal asked where the part about efficiency for council was.

Mr. Snyder said it is under Executive Summary in the Constituent Services budget actually. It is \$25,000 for improvements for Council including the computer installation and more HD monitors for people in the back of Council chambers and overhead projectors.

Councilor Villarreal asked if there is any sound system upgrade.

Mr. Snyder said Joe Abeyta is looking at that. Most recently, he looked at the Rio Rancho Council set up and largely found what we use now. The County has computers implanted for commissioners.

Councilor Villarreal asked if it is removable.

Mr. Snyder said they would be fixed. The layout of council chambers is a challenge.

Councilor Dominguez - so this budget doesn't include those changes. Mr. Snyder agreed.

Councilor Harris added that the audience chairs are the worst chairs in town. They are fairly miserable. He asked Mr. Snyder to get a quote for new chairs.

He asked if constituent services would be discussed under Deputy City Manager/

Mr. Snyder agreed.

Councilor Dominguez understood that the Deputy City Manager's budget is separate from the City Manager's.

Mr. Johnson referred them to page 214 for the organization chart.

Councilor Dominguez reasoned that they would approve the Deputy City Manager budget separately.

MOTION: Councilor Dominguez moved to approve the City Manager budget. Councilor Harris seconded the motion.

VOTE: The motion passed unanimously on a voice vote.

c. Deputy City Manager (15 minutes)

Ms. Renee Martinez said the offices under the Deputy City Manager are Economic Development, Affordable Housing, Constituent Services, Public Defender, Internal Auditor, PIO/Media, and Emergency Management. The only expansion is for emergency management.

David Silver put together a good business case for the expansion. He estimated that at the airport, probably half of his time was focused on emergency planning and it still requires more hours. He looked at other cities and how they deal with emergency management. It is clear we are understaffed in comparison. The expansion would be done with an expansion of the FEMA budget.

Councilor Harris said the roll out of software for Land Use has a module for constituent services included. Mr. Gurulé is on the road to recovery but that delays services. He didn't think a lot of people really use the whole CRN system but they still pick up the phone or email. He often goes directly to Mr. Snyder for help.

Ms. Martinez said she is happy to expect Mr. Gurulé may return in May. We just filled the position in that office. She has been looking at requests coming in and it has been consistent through the past 18 months and the work orders created by the CRN. It doesn't indicate a need for increased staffing. Calls for animal control, pot holes and graffiti are now going to constituent services and how the software will help with the load. They have been focused on that and on their web site, which is well used. Based on the experience, we are prioritizing the web site improvements and using a service to help make improvements. We don't yet have data to show how it has helped but expect we can get that later.

Councilor Harris thanked her for that. For Internal Auditor, we have seen her work in the past. And what is anticipated on page 198. It is a long list and a request for another FTE. He asked if that was discussed.

Ms. Martinez said at this time, we put together an audit plan. There is work that is carried forward as not completed last year. There are risk assessments for every department. The internal auditor does a nice job of laying out the schedule of work and time that is required for that work. There are some things that cannot be anticipated like a tip on the hotline. We had one recently. They added \$25,000 to the consulting budget for fraud and abuse cases and felt it was appropriate to handle that kind of uncertainty.

The plan approved by the Audit Committee didn't request added staff at this time.

Councilor Harris attended one Audit Committee and thought the scope is the scale for one person but with our size, he wondered if one FTE is a reasonable response. It is something we need to keep in mind. Even with additional \$25,000, the hotline can take up a lot of time. He didn't have anything to recommend but should examine it along the way.

Councilor Lindell said it is pretty clear and doesn't present anything out of the ordinary for her.
Councilor Villarreal noticed the Economic Development budget went down and asked why.

Ms. Martínez said there might be variability from year to year because of the grants and asked which particular line item she was referring to.

Councilor Villarreal said it was line 14.

Mr. Johnson said that is related to recognizing the amount of revenue through sale of city land and this year it is higher and next year the reduction is on revenue and corresponding expenses.

Councilor Villarreal asked if that position will be filled.

Mr. Snyder said it was an E 90 position and is not a permanent position. There are three staff members in Economic Development; a Director and two assistants.

Ms. Martínez said right now, we have two.

Mr. Snyder agreed and the administrative person also covers Affordable Housing now. We are in process of hiring and filling Ross Chaney's position too.

Councilor Villarreal recalled he was brought on for a special project that is now going into phase 2 and working on the contract for that.

Mr. Snyder said there are certain areas throughout the City where it doesn't make sense to have that skill set on a year-round basis.

Councilor Villarreal asked if we have a work plan for that.

Ms. Martínez agreed.

Councilor Villarreal asked, looking at open.gov, if there is an amount for a hotline.

Ms. Martínez agreed.

Mr. Snyder said they would have a contractor run the program and be subsidized by the City.

Ms. Martínez said the subsidy is up to \$30,000.

Councilor Villarreal noted funding sources are not CDBG and asked if Ms. Ladd could explain that \$100,000 for rental assistance.

Ms. Ladd said it is based on the AH model and the State is deploying it. They were awarded trust funds and we didn't get the same amount so, we used the General Fund to complete the six months.

Councilor Villarreal asked if we should prioritize that and describe how it is used.

Ms. Ladd said most of all HUD sources are very restricted. It is only for three months or the amount is not very useful. There was a fairly high income level. Use was restricted This way there are not as many requirements as HUD has. We had a special services contract.

Councilor Villarreal asked if we need to consider that again this year.

Ms. Ladd agreed.

Councilor Villarreal suggested \$100,000.

Mr. Johnson though it could be from the General Fund balance.

Councilor Villarreal requested \$100,000 for it.

Councilor Dominguez asked if the Verde Fund has no encumbrances.

Ms. Ladd said the Verde Fund just had the evaluation committee to review. Round 2 interviews were held on last Friday and the Mayor can decide on funding the proposals.

Mr. Snyder clarified that there are no encumbrances to date this year. If the contract is more than \$50,000 it would be funded at the end of May and can expand over two years.

Councilor Dominguez asked if the debt with College of Santa Fe University sits in the Government Fund.

Mr. Johnson said it sits in an enterprise fund.

Councilor Dominguez asked if there is a better place for it. He was not quite sure if there was.

Mr. Johnson said where it is now in the accounting is fine with him. He recommended not dealing with it now.

Councilor Dominguez asked who manages that budget.

Mr. Johnson said all debt is managed by the Finance Department.

Councilor Harris said the process under way now for Verde Fund has \$300,000 and proposals would draw that down. Next year anticipates another \$300,000 apparently.

Mr. Snyder said it was just a one-time payment as it shows on page 214 as approved by Council.

Mr. Johnson explained it is primarily a timing issue. It is a reappropriation.

Councilor Harris said that target is only half of what the Verde Fund is. It is working toward the 2040 goal and having impact on poverty and economic justice. He suggested using the \$100,000 proposed by Councilor Villarreal for the rental subsidy from the Verde Fund.

Mr. Snyder asked if the proposal is to use that \$100,000 from the General Fund and keep \$300,000 in the Verde Fund.

Councilor Harris recalled that it was an annual appropriation. He suggested, if it leaves a balance this year, that we consider using a portion of it for what Councilor Villarreal proposed and keeping \$300,000 in the Verde Fund for next year.

Mr. Snyder said that was what he was trying to say. He was not sure how much could be drawn down in the remainder of this fiscal year.

Ms. Ladd said they have over \$1 million to use and she would have to send out an RFP.

Councilor Villarreal didn't know want to mess with the Verde Fund so she asked Staff to look at other sources.

Ms. Ladd asked what time frame.

Councilor Villarreal said for this year's budget.

Mr. Snyder said both of those proposals would hit between FY17 and FY18 so he was not sure that would work. There would be only one month for draw downs. It would be \$100,000 from the \$1.2 million that is unallocated.

Councilor Harris was opposed to drawing from that \$1.2 million.

Councilor Dominguez reminded that whether it is \$100,000 or whatever, Ms. Ladd has the authority to administer it.

Mr. Snyder heard her say she did not have the contractor on board to handle it so she could administer it then but not in this FY.

Councilor Dominguez asked, then, what it could be used for 17-18.

Ms. Ladd said the fund wasn't even established for this year. It is there but to be used next year. It is

the same money and that \$300,000 would not be available until next year.

Mr. Johnson agreed. It doesn't allow for any expenditures this year.

Councilor Harris thought it would be reappropriation for next year.

Mr. Johnson agreed. It is up to the Governing Body to approve it.

Councilor Harris said there is other money that has been reappropriated.

Mr. Johnson said they are reappropriating money from spending less and receiving more. The carry over discussion was still carry over and could not be done without a hearing on it.

Councilor Lindell said she would not be comfortable reappropriating from the Verde Fund without allowing Mayor Gonzales to be in on that conversation.

Councilor Dominguez clarified it is not being suggested to use it for other purposes.

Councilor Harris agreed that they are not redefining how the money is to be used.

MOTION: Councilor Lindell moved to approve the Deputy City Manager's budget.

Councilor Villarreal still wanted to know where to get the \$100,000 for rental assistance that was taken out of the budget a couple of years ago.

Mr. Snyder said \$1.2 million in the General Fund surplus is not allocated in this year's budget.

Councilor Villarreal thought part of it had to be set aside for reserves.

Mr. Snyder said the reserves amount is already set aside.

Councilor Villarreal agreed they should keep the reserves but would like to look at that source.

Councilor Harris understood but didn't agree with using the surplus for housing. The Internal Auditor could use more money. He just didn't support it at this time.

Councilor Dominguez didn't hear that \$100,000 was included in the motion - to be taken from the \$1.2 million to utilize for rental assistance.

FRIENDLY AMENDMENT: Councilor Villarreal seconded the motion and requested a friendly amendment to utilize \$100,000 from the General Fund surplus to fund rental assistance.

Councilor Lindell had no objection to have that as a larger discussion by Council. She accepted the amendment to use the \$100,000 as friendly, and potentially from the \$1.2 million.

Mr. Snyder said that is fine but there is no other source from which to take it.

Councilor Dominguez pointed out that at least two members of the Committee felt that was important enough to look at but concerned about the funding source.

Mr. Snyder said the \$3.1 million expansion proposals all would come from the same source.

Councilor Dominguez said the Committee could make the decision or ask Staff to come back with a recommendation that works for everyone.

Mr. Johnson said the resolution requires an offset or a reduction in expenditures.

Councilor Dominguez didn't hear that we are asking to bust the budget. "We will approve the budget and ask Staff consider how we could get the \$100,000 by either cutting elsewhere or I don't know. We are looking for options."

Councilor Harris thought the Mayor should be asked if we should consider it from the balance for this purpose.

VOTE: The motion passed unanimously on a voice vote.

d. Tourism (20 minutes)

Postponed.

7. ADJOURN

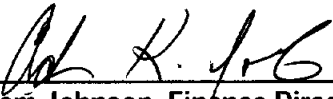
There was no further business to come before the Committee, and the meeting was recessed at 3:22 p.m., to reconvene Wednesday morning at 9:00 a.m.

[Signatures on following page]


Approved by:


Carmichael A. Dominguez, Chair

Reviewed by:


Adam Johnson, Finance Director
Department of Finance

Submitted by:


Carl G. Boaz, Stenographer, for Melessia Helberg