

**City of Santa Fe, NM**  
**Budget Hearings**  
**Wednesday, May 01, 2019**  
**01:00 PM – Special Finance Committee/Budget Hearings**  
**Council Chambers**

**AGENDA**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. CHAIR OPENING REMARKS**
- 5. DEPARTMENT REVIEWS - CONTINUED**
  - a) Planning and Land Use Department (1 hr.)
  - b) Office of Affordable Housing (1 hr.)
  - c) Office of Economic Development (1 hr.)
- 6. STAFF RESPONSES TO ANY REQUESTS FOR INFORMATION**
- 7. ADJOURN**

<b>RECEIVED AT THE CITY CLERK'S OFFICE</b> <b>DATE: <u>April 26, 2019</u></b> <b>TIME: <u>11:08 AM</u></b>
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**SUMMARY OF ACTION  
SPECIAL FINANCE COMMITTEE BUDGET HEARING  
CITY HALL/COUNCIL CHAMBERS  
WEDNESDAY, MAY 1, 2019, 1:00 PM**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
<b>CALL TO ORDER</b>		<b>1</b>
<b>ROLL CALL</b>	<b>QUORUM</b>	<b>1</b>
<b>APPROVAL OF AGENDA</b>	<b>APPROVED</b>	<b>1</b>
<b>CHAIR OPENING REMARKS</b>	<b>INFORMATION/DISCUSSION</b>	<b>1-2</b>
<b><u>DEPARTMENT REVIEWS CONTINUED</u></b>		
<b>PUBLIC UTILITIES</b>	<b>APPROVED</b>	<b>2-13</b>
<b>PLANNING AND LAND USE</b>	<b>APPROVED</b>	<b>13-22</b>
<b>OFFICE OF AFFORDABLE HOUSING</b>	<b>APPROVED</b>	<b>22-25</b>
<b>OFFICE OF ECONOMIC DEVELOPMENT</b>	<b>APPROVED</b>	<b>25-30</b>
<b>STAFF RESPONSES TO ANY REQUEST FOR INFORMATION</b>	<b>INFORMATION/DISCUSSION</b>	<b>30</b>
<b>ADJOURNMENT</b>	<b>ADJOURNED</b>	<b>31</b>

**SPECIAL FINANCE COMMITTEE/BUDGET HEARINGS  
CITY HALL/ COUNCIL CHAMBERS  
WEDNESDAY, MAY 1, 2019, 1:00 PM**

**1. CALL TO ORDER**

The special meeting of the Finance Committee, Budget Hearings, was called to order by Councilor Roman Abeyta, Chair, at 1:00 pm on Wednesday, May 1, 2019 at City Hall in the City Council Chambers, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT**

Councilor Roman Abeyta, Chair  
Councilor Christopher Rivera  
Councilor Signe Lindell  
Councilor Michael Harris  
Councilor Carol Romero-Wirth

**MEMBERS ABSENT**

**OTHERS PRESENT**

Mayor Alan Webber  
City Manager Erick Litzenberg  
Councilor Rene Villarreal  
Councilor JoAnne Vigil Coppler  
Mary McCoy, Director, Finance Department  
Brad Fluetsch, Finance Department  
Elizabeth Martin, Stenographer

**3. APPROVAL OF AGENDA**

**MOTION** A motion was made by Councilor Harris, seconded by Councilor Romero-Wirth, to approve the agenda as amended to include Public Utilities.

**VOTE** The motion passed unanimously by voice vote.

**4. CHAIR OPENING REMARKS**

Chair Abeyta said yesterday we finished Public Works and will start with the

Public Utilities Department today and then today's agenda.

## **5. DEPARTMENT REVIEWS - CONTINUED**

### **1. PUBLIC UTILITIES DEPARTMENT**

Chair Abeyta said the Public Utilities Department budget is down 15.1%.

Mr. Jones said the budget decreased overall \$12.3 million. A couple of transfers occurred last year due to the digester project. \$6.1 million was moved as we funded the project with cash. \$3.7 million is the real reduction. We realigned the budget with actuals. We had significant increases around the Environmental Services Division of \$800,000 driven by compliance activities. \$500,000 of that is an increase in tipping fees anticipated in our interactions with SWMA. That is built into the budget.

Chair Abeyta said overall this budget is comparable and you are confident with it.

Mr. Jones said yes.

Councilor Harris said he provided written questions do we have the answers in writing.

Mr. Fluetsch said he would get them.

Councilor Harris said increasingly he has had concern with training. He has asked Ms. McCoy to look at the dollars for Training and Tuition. He thinks that line item needs to be changed to Training/Professional Development. He noticed, for instance, on page 19 under Environmental Services it shows \$1,000. Zero in 17/18 and \$1,000 in 19/20. He thinks that line item is low consistently in Departments with the exception of HR. What is the appropriate training and what will be done in the future.

Mr. Jones said the specific line item for Training and Tuition is specific to sending someone to training and reimbursement for tuition. Training is throughout our budget. A lot done in house. We bring in trainers and that funding is in Professional Services Contracts.

Councilor Harris asked what is your best guesstimate of the dollar amount in your budget for training.

Mr. Jones said within Wastewater there is \$15,000 for training. We have safety training monthly and employee development is done in house. We are maintaining certain credits and certifications.

Councilor Harris said that is great to hear. It sounds as though you are fairly

diligent in providing training. Has your budget been adequate.

Mr. Jones said there is always room for improvement. We could do better. His Managers develop training calendars for the year and we roll the numbers into the budget. We are always looking for ways to do training and manage the effectiveness of training.

Councilor Harris said the work of Public Utilities involves a lot of equipment. It is highly technical as well. Training is needed.

Councilor Romero-Wirth said on page 5 it talks about the Santa Fe Beautiful grant and out of state training and development of \$2,500.

Ms. Sitton said Keep Santa Fe Beautiful is funded through a reimburseable grant. Those funds are for the Director to go to the Keep America Beautiful conference.

Councilor Lindell said our out of state per diem is about \$50.00 a day. \$2,500 would give 60 days of per diem.

Ms. Sitton said that is the total cost to go. Registration and travel. None of this is City money. This is reimbursement by the State for Santa Fe Beautiful.

Councilor Lindell said she wants to know expenditures. The point is out of state per diem, in state per diem and out of state transportation. She doesn't think those numbers add up very well. How many people are going. Where are they.

Ms. Sitton said the way travel is split up can be confusing. This is covering the conference registration and travel. In state is in state meetings.

Councilor Lindell asked the \$625 for registration.

Ms. Sitton said \$625 is registration and \$2,500 is air fare and per diem.

Councilor Lindell said it does not add up to out of state per diem. She would like those numbers to be reconfirmed because they don't add up.

Ms. Sitton said she will reconfirm those numbers.

Councilor Harris said he has his sheet of questions. This document is herewith attached to these minutes as Exhibit "1".

Councilor Harris went through his questions.

Ms. Sitton said the 37% increase in tipping fees came directly from Mr. Kippenbrock based on his assessment at the time. We have an active RFP for the

recycling processing contract. We are not at a point where we know anything different so this is what we are using for now. The total is \$900,000.

Councilor Harris said having sat on SWMA for a few years he has a lot of confidence in Mr. Kippenbrock's numbers. He does know the RFP is out. We will see what happens. He thinks we will stay with Friedman. He doesn't know.

Councilor Harris asked the Utility Interfund Support, is that internal charges within the City to Public Utilities.

Councilor Harris said the software subscriptions, he would like to get a sense of what is in there. We have had discussions in the past on billing issues and upgrades. Is that included here.

Mr. Jones said the responses you have include Andy's responses. He sent a different email with his responses. We have just finalized amendment 8 of the contract for the billing systems software. It is under review by the technical team and Legal. His request was that staff not include a project for that because at this point it is unknown. When the contract is approved he will bring forward a budget.

Councilor Harris said that explains the question.

Councilor Harris said lien placement is down 90%. There are issues associated with various uncollected debts and fees. How is this connected.

Mr. Jones said he would love to tell you there are no debts, but that is not the case. A lot of the reduction comes down to actuals. We have automated the lien process and that streamlines it. We are able to group liens together and file 50 liens at one time with Santa Fe County for \$25 instead of \$25 per lien.

Councilor Harris said the actual count of liens is about the same, but because of the efficiency the dollar amount is less. Is that system working well.

Mr. Jones said we continue to find ways to improve our accounts receivable. When there is a transfer or change of owner of the property that is the toughest one to deal with.

Councilor Harris said that is a good move in terms of reducing the cost from \$20,000 to \$2,000.

Councilor Harris asked under Conservation what are the subsidy payments for and why the decrease.

Mr. Jones said the subsidies are where we budget the rebate programs. Programs evolve. This is based on actuals. Conservation takes a very aggressive

approach. They are working on a new 5 Year Plan and to find new ways to conserve water this fiscal year.

Mr. Kippenbrock's memo information is herewith attached to these minutes as Exhibit "2".

Councilor Harris said this is an example of a deep dive, as Ms. McCoy said, into the detail of the budget.

Councilor Harris asked the Water Fund and Wastewater Fund and those amounts and how they relate to the capital program in each Division, when will we be talking about that.

Ms. McCoy said later today there is a section for staff to follow up. We will pass out the capital outlay sheets. The capital outlay hearing is tomorrow to review the projects. Department projects are there. The Director has the ability to meet with Finance every two weeks to add projects.

Mr. Jones said he met with Finance and Public Works on projects and facility based capital projects where we touch Public Works. Systemic CIPs as well. We are focused on tank boosters and tank upgrades. It is constantly evolving.

Councilor Harris said the fee structure. There are no proposed fee increases included except tipping fees. Is it anticipated that in the future the Wild River will have an increase in fees.

Mr. Jones said that a consideration. We know it will have an impact. Our financial consultant works closely with the Division. It is something on our radar.

Councilor Harris asked is that the only Division you have to look closely at for potential fee increases.

Mr. Jones said that is the one we are most aware of. By deferring the payment of bonds that allows other investments to avoid rate increases. The Water Task Force is looking at that and we look forward to having conversations with them.

Councilor Rivera said on page 7, the second line down, on Compliance there is a big increase.

Mr. Jones said Compliance includes State mandates that are imposed. They have to do with landfills and monitoring wells.

Councilor Rivera asked the tipping fee numbers, why is the recycling money under landfill fees.

Ms. Sitton said that is where it is and it has always been there. It is a bundle of the fees we pay to the Agency.

Councilor Rivera said he doesn't know if negotiations have started with SWMA, but are they planning on an increase of personnel.

Ms. Sitton said she did not know, but would look into it.

Councilor Villarreal said we are going through our budget hearing for SWMA and the request of a pay increase for employees. It has not been approved yet.

Councilor Rivera said this is the City portion. What is the County portion.

Mr. Jones said typically the rule of thumb is 70%/25%.

Councilor Rivera said on page 17, Capital Purchases. That is a pretty high number for vehicles. Is that commercial residential recycling. What kind of vehicles are these and how many small vehicles are we purchasing.

Ms. Sitton said she has a list of the vehicles. Two of them are residential trash collection vehicles.

Councilor Rivera said that is a pretty big budget for a Department that uses small vehicles.

Ms. Sitton said she will compile a list of all the vehicles for him.

Mr. Jones said these are both commercial and residential. Also she has smaller vehicles for collection as well for smaller streets in Santa Fe.

Chair Abeyta said if you could provide us a breakdown that would be great.

Councilor Rivera said on page 26, salaries, are we losing staff in that area.

Mr. Jones said what you are seeing there is where Utility Billing took over the operations of the cashier staff. Last fiscal year those individuals resided in the Finance Department, but they took over as cashiers. It reflects the change of responsibility of ownership to us.

Councilor Rivera asked wouldn't the budget show an increase rather than a decrease.

Mr. Jones said the budget would be neutral. We have not lost any people.

Ms. McCoy said we don't have detail on that, but will provide that to you with a



year over year comparison.

Councilor Rivera said on page 33 it seems buildings need the same amount of repairs every year.

Mr. Jones said that budget was for an expenditure we had for a gas line repair that we did. We don't anticipate funding that again.

Councilor Rivera said you have an old building. Are there typically issues to deal with every year.

Mr. Jones said we built into the budget certain modifications. All the gas lines were replaced in all the buildings. There are a couple of projects such as roof repairs that have to occur. We will be doing an update with Public Works and attaching that to a construction project.

Councilor Rivera asked on page 38 for overtime you are taking a big drop in that.

Mr. Jones said we are realigning to actuals.

Councilor Rivera asked is there much overtime in the Department.

Mr. Jones said mostly in the treatment plant. It is a 24 hour operation The majority of overtime is in the operation of the treatment plant. Second is collections.

Chair Abeyta said last year we budgeted \$90,000. For this year Ms. McCoy explained to us that they are taking the last two years and averaging them so it makes sense.

Councilor Rivera said on page 57 under Operating Supplies his understanding was that Operating Supplies could only be spent for items less than \$1,500. Is that still the rule.

Mr. Jones said no.

Councilor Rivera said back in the day the procurement book said there was a limit.

Ms. McCoy said she does not believe there is anything specific to the dollar amount for operating supplies.

Councilor Rivera asked on per diem when you send people on travel they bring back their receipts and get reimbursed. Is that correct.

Mr. Jones said yes. There is a mechanism where the City can pay 80% up front

for costs then we true up the receipts.

Councilor Rivera said certain cities have a certain value of per diem, like New York may be higher than a smaller place. Is that correct.

Mr. Jones said yes. It is not just a set rate in the budget, but also hotel costs, parking fees, and trueing up the receipts.

Councilor Lindell said on that point she checked with Celeste and you are absolutely right. \$47 a day is the highest amount of the highest cost cities.

Mr. Litzenberg said Councilor Lindell is speaking of food only per diem. It is higher than that with the hotel included.

Chair Abeyta said we will get a breakdown.

Councilor Romero-Wirth said on page 54 service contracts for Source of Supply decreased \$104,000. What is that about.

Mr. Jones said realigning to actuals.

Councilor Romero-Wirth said she has similar question on page 51 for the Water Division Conservation professional contracts.

Mr. Jones said it is aligning professional contracts and service contracts to actuals.

Councilor Romero-Wirth asked is that true across the board.

Mr. Jones said correct.

Councilor Romero-Wirth said it had nothing to do with a big project that was finished.

Mr. Jones said no.

Councilor Villarreal said on page 12, Environmental Services, she does not see an increase for staff, but the amount went up by \$102,000. Is that a position.

Mr. McCoy said as we have reviewed the position listing throughout the City we started to make corrections to positions that were supposed to live in certain business units, but were not previously budgeted to those business units. We continue to do that. This is one of those changes.

Councilor Villarreal asked what is the position.

Ms. Sitton said every year there is a shift bid and we have a shuffling of people and positions and that adds to the problem. We are glad we are working with Finance to clean that up.

Councilor Villarreal said on page 51 she has the same question on salaries. Is that the same concept.

Mr. Jones said yes, the same concept. We are looking at positions and where they are funded and aligning those.

Councilor Vigil Coppler said we did get an FTE count in our materials. Can we be sure we have 245 positions based on what Ms. McCoy said.

Chair Abeyta asked do you know the number of positions.

Mr. Jones said the exercise we went through says 288 based on historic information. We are working with Finance and HR about cleaning up positions that have been double filled and changes over the years so that they stand with HR and Finance. They have done a tremendous job with those positions.

Ms. McCoy said the list you have going forward will be on the last page of the narrative. The four different classifications requested are there. What is not showing up is seasonal or temporary employees. That may be the difference.

Councilor Vigil Coppler said so 33 are seasonal or temporary.

Councilor Vigil Coppler said as a general statement she does not think we have a classification called seasonal. That is just when they work. She continues to be concerned about the lack of information being presented to us without specific FTEs. She knows you are working on them and she appreciates that. HR is 80% to 90% of our budget. She is concerned about not being able to track those. They are recurring costs and will become very expensive. It is very difficult to approve a budget knowing there are so many unknowns. At what point will we know positions and which ones require benefits. This is a very irresponsible way to approve a budget. Not to cast any stones at anyone. She worries what decisions are being made to let some people have positions in some Departments and some not and how those decisions are being made. On this sheet a term position is being requested. She doesn't understand the chart.

Ms. McCoy said the position count analysis we will be providing for each Department demonstrates the attention to detail that Councilor Harris spoke of earlier. HR and Finance have worked on the analysis over the last six months to reconcile FY 19 approved positions for the count of the four classifications. The FY 20 position count shows an increase of four positions. That reflects the changes of the four cashiers moving to this Department. This is a helpful tool for us to monitor positions as approved by the Governing Body.

Councilor Vigil Coppler said she is still concerned about what is happening to the career ladder at Canyon Road and Buckman on that. She will be watching that.

Councilor Vigil Coppler said the Buckman Diversion Project, what happens to the County contribution. Is there a transfer in this for that.

Mr. Jones said each entity, the City and County, budget for their portion of the operating budget. The BDD bills the entities for the level of services. We get an invoice and they pay the invoice.

Councilor Vigil Coppler asked where are the expenses in this budget.

Mr. Fluetsch said BDD and SWMA do their own independent budgets. They are not in any of these packets.

Councilor Vigil Coppler said she knows that but we have to pay our portion. Where does that money come from.

Chair Abeyta asked where is it in your budget.

Mr. Jones said it is a \$6 million item. It is in here. The Water Division budgets \$6 million for the BDD budget of \$9 million. 75% is City and 25% is County. As they incur the expenses we pay down the budget amount.

Councilor Vigil Coppler asked does that also include legal fees or where does that money come from.

Mr. Jones said it is included in their operating budget. The BDD source of supply is on page 48. The recommended budget is \$7.2 million. He stands corrected.

Chair Abeyta said so all fees related to BDD comes out of that. There are nonevent separate things we have to pay for out of different places. The \$7.2 million will cover everything related to BDD.

Mr. Jones said correct.

Councilor Vigil Coppler asked in the event of a settlement are those funds used in that event as well.

Mr. Jones said if we are looking at a reimbursement of money it would go before the BDD Board and the recommendation from that Board would go to the Governing Body for approval.

Councilor Vigil Coppler asked do we have insurance coverage for things like this.

Mr. Litzenberg said we do. He doesn't know to what extent it applies here. The City does have insurance for high claims.

Mr. Jones said the City has umbrella insurance for BDD and BDD has it's own as well.

Councilor Vigil Coppler asked the paper bag fee in Environmental Services, is that what we are collecting on that fee.

Ms. Sitton said yes, the bag fee revenues are projected on the last couple of years coming in. They are to be spent on waste reduction and reusable bags. We use it for postage for the calendars and retail letters we send out to remind them about the bag fee. Also the printing of calendars and advertising for waste recycling and reduction.

Councilor Vigil Coppler asked do we have over site of businesses on this.

Ms. Sitton said is was designed for that, but we have never done anything like that as it was too draconian. Most people self report and do a good job. We do have a person in our shop that does compliance activities. If anyone reports a violation we go out there in person and bring them a copy of the Ordinance. We don't have the level of staffing to constantly go out to every store to check. We have had good compliance.

Councilor Lindell said lets talk for a minute about the email from Mr. Kippenbrock on tipping fees. She is wondering if you think we will need to have a conversation in the near future about Environmental Services remaining an Enterprise Fund. Enterprise Funds are defined as a Department that generates fees to cover their costs. She doesn't know how we can generate the fees to cover these costs. Do we need to have a discussion about recycling and Environmental Services remaining an Enterprise Fund.

Ms. Sitton said she thinks an Enterprise Fund is the best fund for Environmental Services. We have a consultant who is doing a cost of services study that is underway right now. We will be bringing that information forward on what kind of rate adjustments we will need to make to be sure all our programs are viable. It will have information on recycling contracts as well. We are in a good place. There may need to be rate adjustments.

Councilor Lindell asked what is time frame of completing the study.

Ms. Sitton said within this month.

Councilor Lindell asked when will it be in our hands.

Ms. Sitton said she has targeted June for PUC.

Councilor Lindell asked can we have a presentation at Finance also if the Chair thinks it is appropriate.

Chair Abeyta said yes.

Councilor Romero-Wirth said she is curious how we are doing on hiring a Water Division permanent person.

Mr. Jones said the Water Division Director position has closed. We are in the interviewing process and will have a recommendation soon. We will repost it if no one works out.

Councilor Romero-Wirth asked have you budgeted for more public outreach and input around the different water reuse options and trying to understand the correct path to go down. Is the amendment to the Corrello contract the only thing you are looking at.

Mr. Jones said there is nothing specific in the budget to community outreach specific to reuse. Staff is working on a plan on what the costs are. If there are not enough funds in the budget for that type of effort we would come back before the Governing Body for funds to do that.

Mayor Webber said a lot of what we focus on is what the City is already doing. A great deal of work in this Department is residents taking responsibility and doing the right thing. The Eye On Water app and having a home conservation visit both were impressive to him relating to water use and water conservation. Any thoughts on better ways of promoting those efforts so residents can participate would be welcome.

Mr. Jones said we are integrating that into our programs to make sure information is out to customers. The Eye On Water app is information that helps the customer and gives usage and leak information. We are looking to increase the usage of that app.

Councilor Romero-Wirth said we are about to go into high demand season. She met with Christine Chavez and we will be having an agenda item on this item. Her understanding is as part of this season there are some marketing efforts the City is embarking on to increase the usage of the Eye On Water app and advertising to raise awareness about water conservation.

Ms. Sitton said she is really excited about what we are working on in Environmental Services for outreach. Six months ago she did not have any staff to do that. Now we have filled vacancies with quality people and moved one staff member for Sustainability back into our fold. We have been able to do more such as a sustainable wrap for Earth Day. The new calendar is coming out and is chock full of information. A lot of things in development.

Mayor Webber said making the Eye On Water app part of your bill payment point

of contact and having people opt in on the spot when you get water services changes the dynamic significantly. It changes behavior.

**MOTION** A motion was made by Councilor Harris, seconded by Councilor Romero-Wirth, to approve the Public Utilities budget.

**VOTE** The motion passed unanimously by voice vote.

## **2. PLANNING AND LAND USE DEPARTMENT**

**Carol Johnson, Bobby Padilla**

Ms. Johnson introduced her staff who was with her. Greg Smith, James Martinez, Eric Aune, Bobby Padilla, Lisa Roach, Eli Issacson and Noah Burke. She handed out an organizational chart for the Department which is herewith attached to these minutes as Exhibit "3.

Ms. Johnson reviewed the budget information in the budget book and said the difference we are proposing is adding two Assistant Director positions. The change is revenue neutral using salary savings of unfilled positions. It adds an operational layer to provide faster response. Under Land Use a number of positions are being moved around. The addition of a Land Use Property Manager is being reassigned from the Asset Development Office to Land Use, the Land Use Project Manager is added to the organization to help with implementation and management of her piece of the ERP project. The key component for staff and the general public for the new permitting system is going online later this summer. We are reallocating positions between business units. We are adding a higher level plan review position and have moved the remaining Long Range Senior Planner into Planning and reclassified it to a higher level position. Enforcement is showing a decrease because some staff is moving into compliance. Noah Berke is the Manager of the Planning Division.

Councilor Harris said his questions were acknowledged and answered in Ms. Johnson's presentation. There is a low vacancy credit for planning. He has not seen neighborhood services before.

Ms. Johnson said that is Lee Lawson, Senior Planner. We have a couple of holdovers of old business units with one individual assigned to them. They were not funded individually in reality. We reassigned them to another unit.

Councilor Harris said Ms. McCoy said you were gracious as we worked through Parks and Recreation. Which line item is for code revisions.

Ms. Johnson said it is in contracts.

Ms. McCoy said the spread sheet for the budget that is in front of you is the updated one after the action yesterday. It reflects the change. It is in Contractual Services 510310.

Councilor Harris said he sees that now. \$375,000 was moved from you to Parks and Recreation. \$ 25,000 from Community Services. We know that it was possible to do this given the three year program for code updates.

Ms. Johnson said it was not just the code updates. There are two primary work items initiating the code updates with technical review, but also embarking on a community planning program. We may look at breaking the update down to a series of plans.

Councilor Harris said he is glad of the fact that you and your department are taking that on. For quite awhile people stuck their heads in the sand. He applauds you for that. Is Historic Preservation to be included in the code update.

Ms. Johnson said the \$45,000 identified for Historic is intended to be matching funds. Grants are available for other funds. We will be doing an update of the historic overlay of the code.

Councilor Harris asked so all that is in that one line item.

Ms. Johnson said yes, and \$60,000 to scan the plats for developments and subdivisions.

Councilor Romero-Wirth said in your reorganization talk a bit about the Compliance Office of Short Term Rentals, specifically enforcement.

Ms. Johnson said the Compliance Division is a merging of short term rental staff and enforcement staff. New leadership is being provided with Mr. Smith reassigned to head up that Division. There had been a lack of coordination between the City Attorney's Office and that Division to prepare for cases and getting ready for prosecution if necessary. For use issues, especially short term rentals, we need to go to the Cloud for information. Also we released on Monday an RFP for new services for short term compliance. \$60,000 is allocated to it now. If needed we can do a contract amendment. Some services such as auditing and collection of lodgers tax Mr. Randall is interested in. We want to get more information to the public to help them be in compliance.

Councilor Romero-Wirth asked how do you see this Division dividing its time.

Ms. Johnson said it largely ties into what replaces our CRM system. Right now there is not a real workflow or easy way to search or assign tasks. The head of Constituent Services is looking at a replacement product for her and that will be a huge help for us. There will be less work required for staff.



Councilor Romero-Wirth said CRM is great for complaints, but to be successful we have to be able to enforce without having to have a complaint and be proactive. The challenge for that Division Director is to make sure we are enforcing our rules across the board and with a proper balance.

Councilor Rivera said your predecessor never asked for the proper amount of staff to take care of business. Are you needing more staff. Primarily in enforcement.

Ms. Johnson said we are having a more systemic approach and dividing the City into zones which is a better way to do enforcement. The big breakdown she has seen is a breakdown between the City Attorney's Office and her Enforcement office to prepare for cases and where we take cases. If we went to District Court rather than Municipal Court the conditions set would live on for that property. The City Attorney's Office coming up in staff would be helpful.

Councilor Rivera said you said it beats having to have people at all hours.

Ms. Johnson said if we want to do weekends that would be a significant additional cost. The City in general does not have the latest tech in terms of noise meters and those types of equipment that would help us. There are highly efficient apps you can get on our phone that are admissible in court for noise complaints. A resident can record on a pre-approved app and send it to us for court. We would be more successful.

Councilor Rivera said that would be extremely helpful. He is looking forward to that. What is the impact on the long range planning requirement regarding impact fees in having that position filled.

Ms. Johnson said we actually are adding an engineering position to the Engineering Division. That is the most appropriate positing to oversee impact fees. We have to review the impact fee study and update it every five years. A consultant has been chosen, but we will not initiate that project until the position is filled at the beginning of the fiscal year. The new position will allow us to get on top of that.

Councilor Rivera said we used to get a trends publication when Mr. Liming was there. There is a hole there as well. It gave a great deal of information on the City and where we were going. Will that be a responsibility of this person.

Mr. Johnson said that is more of an economic development function. The City has negotiated with Beber at UNM to build a dashboard for us. Economic Development is looking at if Beber is the best source of data for the City.

Councilor Rivera said that has nothing to do with the collection of impact fees.

Ms. Johnson said no.

Councilor Vigil Coppler asked the fees, is there anywhere in there that you recommend what the fee structure is going to be.

Ms. Johnson said we have developed that structure, but the detail is not in the budget packet. We used Santa Fe County as a comparison. We went through the list of fees as to requirements or optional in the Land Use Code.

Councilor Vigil Coppler said if we approve this budget are we approving fee increases.

Ms. Johnson said no, that will be a separate presentation to the Governing Body. We are working on the most appropriate hearing date for the Governing Body right now. It would require a public hearing. We have \$500,000 in increased revenue in the budget.

Councilor Vigil Coppler said if we are collecting fees how is there not an Enterprise Fund guideline on this Department.

Ms. McCoy said different organizations treat fees structures differently. In ours the structure of fees collected that go into the General Fund has various complexities. It is true that Enterprise Funds are where revenues exceed the expenses and use the fund balances to support capital is the most simple example of an Enterprise Fund. Several City of Santa Fe Enterprise Funds are not true Enterprise Funds, such as the MRC. The Parking Fund has to receive General Fund subsidy. Our goal is to have a simplified chart of accounts with less funds and more dollars put into the General Fund. It will take a few years to get to that goal. The ERP goal is simply a chart of accounts and reduce the 400 funds we have to under 100.

Councilor Vigil Coppler said she thought part of this budget request includes fee increases and we don't have those in front of us yet.

Ms. McCoy said \$500,000 is a conservative estimate given the fees proposed.

Councilor Vigil Coppler said she thinks it is a good idea to know what fee increases we are going to approve. There is no transparency. She wants to know who we are going to charge what.

Ms. McCoy said we can print out the schedule of proposed fee increases in a minute and review it with you.

Councilor Vigil Coppler said she wants a list. She really thinks that is something we need.

Chair Abeyta said he understands Councilor Vigil Coppler's concern. Do the fees first then the budget with the fees budgeted. Due to timing we would have had to start

the fee process six months ago. He thinks we could approve the budget, but deny the fees or change the fees two months later and adjust the budget.

Ms. McCoy said correct.

Chair Abeyta said we would have to approve the budget, but can't wait for the FTE.

Ms. McCoy said yes. If the Governing Body did not approve the fee structure we would not hire or expend funds tied to the fee increase.

Councilor Vigil Coppler said she sees this as backwards. She doesn't like doing business this way. We need to understand where are in reality here. This is not a prudent way to do business so to speak. She is not comfortable with allowing a budget to go forward without seeing in front of her what these fees are and having an opportunity to agree or disagree or to have a way to change them if we find other ways of doing things. There are hidden fee increases in this budget.

Ms. McCoy said you have in front of you now the schedule of fees including the fee increases. There are no hidden fees.

The fee schedule is herewith attached to these minutes as Exhibit "4".

Chair Abeyta said we will take time out to look at the fees right now.

Councilor Vigil Coppler said she has questions about the organizational chart. Where are the Assistant Director positions coming from. Are they new.

Ms. Johnson said those are two reclassifications of vacant positions that were never filled by her predecessor.

Councilor Vigil Coppler said if you go to the short term rental page is that the positions that you are moving.

Ms. Johnson said the two Ordinance Specialist positions at the bottom of the page are vacant. Those have been reclassified. We are reprogramming the salary savings from the zoning position. With the combination of those three we are allowed to create two Assistant Director Positions.

Councilor Vigil Coppler said she thought there were always only four positions in Short Term Rentals.

Ms. Johnson said as we went through the budget we identified two positions in Short Term Rentals that were not filled.

Chair Abeyta said he remembers that from last years budget.

Councilor Vigil Coppler said we are talking about those positions moving to the Assistant Director positions. She thought we had trouble enforcing on Short Term Rentals.

Chair Abeyta said Ms. Johnson explained that previously.

Ms. Johnson explained it again briefly.

Councilor Vigil Coppler asked what positions are you requesting.

Ms. Johnson said the Assistant Directors. The FIR shows there is no financial impact.

Councilor Vigil Coppler said on two reclassifications, will those be hand picked people and does that apply to all the other changes. She is coming from equity and fairness to employees.

Ms. Johnson said they will go through a posting and selection process just like any new vacancies in the City. There will be a new Junior Engineer in the Engineering Division and that position will go through the process as well. It is essential to having an opportunity to get certifications and have employees move into leadership positions over time.

Councilor Vigil Coppler asked so there are six positions there.

Ms. Johnson reviewed her positions. There are a total of three new positions.

Councilor Vigil Coppler asked the Assistant Director salary ranges, what are they.

Ms. Johnson said they are commensurate with other City Assistant Directors.

Councilor Vigil Coppler asked has a job description been created.

Ms. Johnson said yes.

Councilor Vigil Coppler said there are no other reclassifications being done in the Department.

Ms. Johnson said not at this time. There was a Project Administrator moved from Planning to the Finance department to oversee trust accounts and other things beyond the Planning Division.

Councilor Vigil asked was a job description created.

Ms. Johnson said it was an existing position. It just moved from one business unit to another.

Councilor Vigil Coppler asked was that posted.

Ms. Johnson said it was not a new position or reclassification. It was a reassignment of a person from one supervisor to another.

Councilor Vigil Coppler said a lot is going on here. She has a concern for fairness and equity and if we can maintain that she is okay with it if it does not create other issues.

Councilor Villarreal said she is curious about the name changes. It is confusing when you try to compare. She is not sure who or what they are in some cases.

Ms. Johnson explained the organizational chart.

Councilor Vigil Coppler asked can we get this with the names.

Ms. Johnson said certainly.

Chair Abeyta asked so you want her to name everyone in her Department.

Councilor Vigil Coppler said not necessarily, but it would be helpful for us to know who to go to.

Councilor Villarreal asked is there is an ERP person hired.

Ms Johnson said it just posted yesterday.

Councilor Villarreal asked will the Contracts Administrator position be filled.

Ms. Johnson said the Contract Administration position is reclassified to the Office Administrative Secretary that has been vacant.

Councilor Villarreal asked what was the logic around long range planning and eliminating that position. She always thought of the Long Range Planner as the person to update Chapter 14 and the General Plan. Her concern is that you budgeted to do Chapter 14, but there was not conversation about any parts of the General Plan that need updating. Some sections do need updating. Does that fold into this plan.

Ms. Johnson said if you go to the FY 20 goals there are three City wide goals. Year one consists of developing value principles and sets the framework for long range planning and beginning the code update. The thought around the Division of Long Range planning prior to the retirement of Mr. Liming and Mr. Macpherson was that Mr.

Liming could be reclassified to the Director of Historic Preservation and Mr. Macpherson would be added to the Planning Division. Staff all expressed a strong interest in doing long range planning. They will have blended assignments. We will develop a work plan identifying which planners are the lead for each project, but there are not enough positions to create a separate Division.

Councilor Villarreal asked does a General Plan revision fit in.

Ms. Johnson said the first year will be developing guidelines and framework. Year two will begin the Neighborhood Planning Program. That is on hold a bit until the neighborhood person is hired to look at shared resources. It takes a great deal of organizational capacity to develop at a neighborhood level first and then to use that to update the General Plan.

Councilor Villarreal asked within the code update is there an update to the escarpment.

Ms. Johnson said it is an update of all of Chapter 14 including the escarpment districts. Also we will be updating the ENN process as well.

Councilor Villarreal asked will those updates be done internally or will you hire contractual people.

Ms. Johnson said we will hire contractual services. The amount allocated to guiding principals and the first phase of the Land Use Code is \$225,000.

Councilor Villarreal asked will you be in partnership with affordable housing working on an analysis of the fee in lieu of.

Ms. Johnson said yes.

Councilor Lindell said she wants to say how happy she is with the changes in the Planning and Land Use Department. Thank you very much to your staff and you Ms. Johnson. It is a pretty magnificent turn around from where she sits. You are doing a terrific job. These kind of reorganizations don't just serve the citizens and City. She has a real trust in you that this organizational change will be good for all of us and for employees. She has very minor questions. On the FY 20 goals it says the Code Compliance Division will handle 80% of complaint investigations within three days. That is a great goal. People appreciate that. That is the face of us in the community a lot of times. It makes a big difference. She hopes we can do that. It is a big deal. The second thing is under the FY 20 goals the Historic Preservation Division Director will be providing training for staff on code requirements and adopted policies and procedures. She thinks that training should be extended to the Board. She thinks we have a Board that is extremely well intended. They are volunteers and they serve out of love for the City and the Historic Districts. On appeals we see we all need to get closer to the same

page. It would be very appropriate to give the training to the entire Land Use staff.

Councilor Harris said he feels similar to Councilor Lindell. He is ready to take a leap of faith on the reorganization. It is clearly needed. He is not critical or asking critical questions, but he has to say you clearly acknowledged the updated fee proposal that was included in the FY 20 budget. He agrees to a certain extent with Councilor Vigil Coppler that it would have been good to get out ahead of that. The leap of faith goes two ways. You are dependent on the fee structure.

Ms. McCoy said the schedule before you shows the \$732,000 estimated worth of the fees. We have increased the projection of the General Fund by \$500,000, but are confident in the \$700,000 number provided by Ms. Johnson and staff. In an effort to be conservative we only included \$500,000.

Councilor Harris said it shows \$1 million into the General Fund.

Ms McCoy said that is the total in the budget. Only half of that is the fee increase.

Councilor Harris said he appreciates her discounting it. It is a bit of a leap of faith. Hopefully we will see that before too long.

Councilor Romero-Wirth asked what is the timing on the fee schedule.

Ms. Johnson said her intent is before the end of the fiscal year if possible. The delay in implementation is because of the intergovernment project. If it is a brand new fee it is not programmed into the system yet.

Councilor Romero-Wirth asked what kind of delay.

Ms. Johnson said a couple of months. She is thinking a September time frame.

Councilor Harris said the tracking of the trust account has not been clear in the past. To know we are actually getting on top of that is very good.

Councilor Harris said he observed issues at Los Solaris. Cross functional teams have been created. Los Solaris is a regional park. There are real issues. He doesn't think there was a cross functional team to make sure we got what we thought we would get. At this point we are not.

Ms. Johnson said very true. She has spoken to members of the community as well. She is now dealing with Parks. There was a significant breakdown between Parks and Land Use. The design standards committee request was not communicated to us. Staff tried to do their best.

Councilor Harris said is it more than that. Their was to be in phase 2 and 3 a lot of tree coverage. Now it is pretty much demolished. Is has to be much better than in the past for him to be satisfied. Good luck.

Councilor Harris said the nuisance Ordinance that all districts deal with, what kind of input are you going to provide on that. Are we too loose, too tight. How will it be enforced.

Ms. Johnson said addressing those is one of the most difficult things to deal with in City government. Usually it is after business hours and difficult for staff to respond to. That is where the conversion is going to be happening with the City Attorney's Office on how to help residents to collect the evidence we need to prosecute in court.

Councilor Harris said the planning function of your Department in reference to improving the processes and streamlining of processes and procedures, what is happening on that.

Ms. Johnson said that would be the measure. First is the target, second is the measure. We will create an inventory of procedures and the percentage of the total approved is the measure of success. Land Use rules from jurisdiction to jurisdiction so we need specific models for each jurisdiction. The reason for needing the Business Analysts is to map our processes we will be using. There will be day to day job duties to better use the tool.

Councilor Rivera asked the Transportation Planner under MPO and the one under Engineering, what is the difference. Can they do both jobs.

Ms. Johnson said MPO is funded by Federal funds with specific limits on activities.

Councilor Rivera said that answers his question.

**MOTION** A motion was made by Councilor Rivera, seconded by Councilor Lindell, to approve the Planning and Land Use budget.

**VOTE** The motion passed unanimously by voice vote.

**3. OFFICE OF AFFORDABLE HOUSING**  
**Alexandra Ladd**

Chair Abeyta said there is a decrease of 3% in transfer to other funds. Give us



an overview of your proposal.

Ms. Ladd said the decrease you see is a reflection of the fact that when we account for Federal grants we enter each project in as its own business unit. It shows as a project. That does not allow us to shut it down and remove it until the next years project is loaded. The money spent is not carried forward because it is not completed.

Chair Abeyta said thank you.

Councilor Villarreal said there is an increase of a staff person. Is that the position you were not able to fill at the time during the budget last year. You were asked to cut it, but needed it. Is that right.

Ms. Ladd said she believes that was several years ago. The position we are asking for is an existing position within the City, but not in our budget.

Councilor Villarreal asked where does it come from.

Ms. McCoy said the intent was to be fiscally responsible and not increase the head count with this budget. Where possible we identified term positions funded with lodgers tax or reclassified a position from another Department that had been vacant for over a year or two years into what we needed so there was not an increase overall.

Councilor Villarreal asked where is that located in the budget. What was it under.

Mr. Fluetsch said that position was in Facilities and did not get moved out of Facilities to Affordable Housing. It is fully funded and we will need to move it before the final budget.

Councilor Romero-Wirth asked can someone get her a copy of the spreadsheets.

Councilor Harris asked on page 2 the subsidy payment is up 200%.

Ms. Ladd said this is the big programmatic change she requested and will fund in full the rental assistance request we were not able to fund in the cycle. We did not have enough funds to use for rental assistance. We are requesting it be included from the General Fund so we can administer assistant funds.

Councilor Harris said you operate in a very complex world in terms of funding streams. He appreciated that. Rental assistance is a measure we take that gets leveraged quite a bit in terms of immediacy.

Councilor Harris asked on page 3, Grants and Services, did you have anything under this line item until this year. Now it is \$560,000.

Ms. Ladd said that line item is the amount of the Community Development Block Grant we are going to use for projects in the upcoming year. We placed a place holder there because at the time we put the budget together we did not have the line items for special projects due to the inability to sync the City accounting system with the HUD accounting system. Until we know the specifics they are all lumped into one line item. The ones you have seen have been broken out into current year projects.

Councilor Harris asked so Community Development Block Grants for \$560,000.

Ms. Ladd said if you look at bottom of page 3 you will see the different projects listed by sub recipient. Those are all this years projects. We zero them out for the next budget and set up new projects.

Councilor Harris said thank you.

Councilor Romero-Wirth said on page 2 is shows expenditures for the Verde Fund. What is this.

Ms. Ladd said it is the Verde Fund. It is a one time expenditure from her budget. The funds are fully expended.

Councilor Romero-Wirth asked there is no money going forward.

Ms. Ladd said correct.

Councilor Villarreal said there were some great aspects to that initiative. How does that continue. Is this ending and are we not supporting the entities on the team for the Verde Fund or shifting it.

Ms. Ladd said the two main contractors for that project continue to be supported through various ways by the City. The success of that fund was that the City provided seed funding to ensure the success of the project. They are now getting Federal funds as well as Workforce Development and Training Funds.

Councilor Villarreal said so it is a leveraging effort. They go together for funding.

Ms. Ladd said yes

Councilor Villarreal asked are they still calling it the Verde Fund.

Councilor Ladd said it is now the Verde Community Effort. They are doing the same thing. Forest thinning, composting, food box delivery as well as the YouthWorks culinary program.

Councilor Villarreal asked the time line for the program for the "fee in lieu of"

program, what is that.

Ms. Ladd said we will develop the concepts for amendments, then will have workshops with groups of stakeholders and public comment periods in June on the proposed changes so we can plan accordingly.

Councilor Villarreal said she has learned a lot about the rental assistance aspect and is glad we are funding it. It saves us money in the long run. What is the position you added from Facilities.

Ms. Ladd said a Project Specialist position.

Councilor Villarreal asked doing what.

Ms. Ladd said that position will provide support for all the grant administration. It is a huge heavy lift, but will also help us manager our data better and free up some of her time and the CDBG Planner time to do more policy and planning work and expand the way we do public outreach. It takes a lot of reorganizing. We have not had capacity to do that well. It will help with Metro Quest. We are still using it to the end of the year. She believes it will be in the budget for next year as well. We hope it can be used City wide. Other Departments could also take advantage of the tool.

**MOTION** A motion was made by Councilor Romero, seconded by Councilor Lindell, to approve the Affordable Housing budget.

**VOTE** The motion passed unanimously by voice vote.

Chair Abeyta said we will take a five minute break.

#### **4. OFFICE OF ECONOMIC DEVELOPMENT Matt Brown**

Chair Abeyta said this budget shows a small decrease.

Councilor Lindell said she would like to comment on one small item on the summary on page 4, support entrepreneurial organizations. Is the assistance to SCORE on that line.

Mr. Brown said absolutely. The SCORE contract ends this fiscal year so we are issuing a new RFP in anticipation of getting approval of the budget. He expects them to apply as well as others so we did not put ongoing SCORE support until we know the outcome of the RFP.

Councilor Lindell asked what other RFPs are out there.

Mr. Brown said SCORE, MIX and BIZ MIX. The RFPs are in draft form in preparation for budget approval. In the highlights for the year he clarifies that.

Chair Abeyta asked is that the case with the Santa Fe Business Incubator.

Mr. Brown said the Santa Fe Business Incubator and YouthWorks will be coming up this fiscal year.

Councilor Romero-Wirth said this says that the broadband and telecom City strategy is to get rid of the dead zones we have. What does that mean.

Mr. Brown said the City currently does not have anyone managing broadband strategy across the City. There is a draft plan that Sean has been working on. When that is complete that strategy is to attack dead zones and have broadband performing under the accepted national standards.

Councilor Romero-Wirth asked that is the entire City, isn't it.

Mr. Brown said we are comparable to most cities. We need improvements. What is not represented here is we are having conversations with the City Manager and the County to create a joint office similar to the Film Office working collaboratively. We can get a lot better result than operating independently. He is hoping we can do that.

Councilor Romero-Wirth said she applauds that. She is glad we doing something strategically to address getting better service in the community.

Councilor Romero-Wirth asked did we not use all our LEDA money.

Mr. Brown said that is correct for this fiscal year. We had set aside \$100,000. The prior year we were short. We used \$13,000 for Marty's Meals, but there was no other LEDA investment that came through this fiscal year. We have \$50,000 for this coming fiscal year. If we go over or above that the strategy is to borrow money from the Tierra Contenta Fund that is earmarked for economic development.

Councilor Romero-Wirth asked so we go looking for them or they come to us.

Mr. Brown said both. There are five to six companies in the pipeline right now.

Councilor Romero-Wirth asked did we not have companies who qualified.

Mr. Brown said correct.

Councilor Villarreal asked LEDA and contracts where do they show up on the budget sheet.

Mr. Brown explained that on page 6 is the line item for Contracts and LEDA is in Grants and Services.

Councilor Villarreal asked what is meant on your goals where it says support for the Santa Fe Business Incubator etc. which are contracts.

Mr. Brown said those are existing contracts so they are ongoing and there is no new RFP yet. SCORE, MIX and BIZ MIX are on different schedules. Their contracts term out this June 30th.

Councilor Villarreal asked what about YouthWorks.

Mr. Brown said they are still ongoing as well.

Councilor Villarreal said on the job changes she is assuming the adjustment on page 5 where the \$300,000 moved is where Asset Development moved into Economic Development or what is the change.

Mr. Fluetsch said Asset Development moved out of the City Manager's office to Economic Development. The Asset Development Director and the reclassification of another person as an Asset Development Associate is what that covers.

Mr. Brown said that is a position that Matt O'Reilly had open for two years, but did not fill.

Councilor Villarreal asked will the Associate be posted.

Mr. Brown said yes, when it is approved.

Councilor Vigil Coppler asked was the contract for BIZ MIX on the last renewal.

Mr. Brown said their contract term ends on June 30<sup>th</sup>.

Councilor Vigil Coppler asked will the Chamber of Commerce be picking up that program.

Mr. Brown said they already have.

Councilor Vigil Coppler asked are they going to continue with it.

Mr. Brown said we will issue an RFP and he anticipates that the Chamber will respond to the RFP.

Councilor Vigil Coppler asked what RFP is that.

Mr. Brown said in the budget proposal we have \$50,000 for networking services. That is the amount in the RFP which describes the need for us to contract for those services. There is also an RFP for a business training program. SCORE will respond to that.

Councilor Vigil Coppler asked could the \$50,000 go to one group or several.

Mr. Brown said it could go to several groups, but we would want to have a lead group.

Councilor Vigil Coppler said when the City managed Biz Mix we tried to engage businesses on Southside and on Airport Road to be more inclusive. What she is seeing is more businesses located downtown. If that group is successful at bidding on the RFP she thinks the City should be sure that it is a service or group that considers all of Santa Fe, especially Airport Road and that area. She is not seeing much inclusiveness.

Mr. Brown said that is our intention certainly.

Councilor Vigil Coppler said on your position count she sees the position count is up by one. Where would you use an exempt position and who are those two exempt staff.

Mr. Brown said he is an exempt person and Liz Camancho is the other one. There is an open position for an Economic Development Specialist. We are in the process of reorganizing to have that position be an Economic Development Manager and to rename Liz's position as a Manager. Those will both be exempt positions.

Councilor Vigil Coppler asked would they be exempt because they are political appointees or why.

Mr. Brown said he would like to defer that question to Bernadette Salazar.

Councilor Vigil Coppler said she is not here.

Mr. Brown said he will get that information from Ms. Salazar and get it back to you.

Councilor Vigil Coppler said your position count went from three to six. What are those extra three doing.

Chair Abeyta said he already explained that.

Mr. Brown said we have five positions and one shared. Him, Liz, Rich, Fabian and a shared position of Office Manager that is filled by Jessica. We added two for Asset Development, telecom and the movement of Vince from business licensing and

finance into Economic Development.

Chair Abeyta said we are moving people. They are not new positions.

Mr. Brown said yes and a reclassification of a position that was open for two years.

Councilor Vigil Coppler asked is the shared position half time.

Mr. Brown said it shows under Economic Development as full time, however, she is a shared resource with Affordable Housing. Alexandra Ladd's Department is adjacent to ours. Jessica helps us both.

Councilor Villarreal asked who is the term position.

Mr. Brown said Fabian. We will add names to the designations on all of them and get that to you.

Councilor Harris said he doesn't see any listing for Asset Development under goals. As soon as possible he would like to see a strategy for getting a handle on our assets.

Mr. Brown said we will have that before this goes to the Governing Body.

Councilor Harris said good.

Councilor Villarreal said the Opportunity Zones goal, because this is a new project nationwide there have been pros and cons. Who is in charge of that. What does data visualization mean.

Mr. Brown said Rich Brown is the lead on that. He encourages you if anyone wants to take a deep dive into that to reach out to Rich. He has done a spectacular job in corralling all that. He has met with stakeholders several times. The Feds continue to issue regulations and we continue to update our knowledge. Visualization is a tool not just for this, but also to show our information assets we have that we might want to attract developers to in order to do Santa Fe housing or mixed use development in Opportunity Zones. Our tool set for that is very weak and completely inadequate. We have to look at other cities we are competing with. We need a top flight best practice tool to try to pull the opportunities to us to invest.

Councilor Villarreal asked how many Opportunity Zones do we have.

Mr. Brown said we secured five in the City there are none in the County.

Councilor Villarreal asked wasn't one of the criteria linked to income levels.

Mr. Brown said it is not our criteria, it is the Federal distressed census tracks. There are all kinds of different criteria. We applied for all seven and were fortunate to get five approved by the Governor.

Councilor Villarreal asked what is the timeline for that and what is the community engagement piece.

Mr. Brown said we should know a time line soon. There is a lot of work we need to do internally as well. We collectively, including the community, have no influence over what the Feds do on the policies and requirements that are coming out. Right now what we do is get those regulations as soon as they come out, read them and respond accordingly. A big part of this is around investment in companies. We go back out to the investor community and let them know what they can do and we go back to potential stakeholders interested in deploying their money. Nothing can be invested yet until the final regulations have been issued by the Feds. Is there a role for community engagement to help figure out how they can benefit or participate, that is a good question for Rich. It is about investing into distressed communities and understanding the risks involved. Someone could come in and wipe out what is there currently and displace folks. That is not our intention or strategy. At the same time we are limited. We don't have the funds. This is private investment. We re trying to bring the community together and motivate investors to do high level investments that support the community. If they want to do something on City property they have to come here.

**MOTION** A motion was made by Councilor Harris, seconded by Councilor Lindell, to approve the Economic Development budget.

**VOTE** The motion passed unanimously by voice vote.

## **6. STAFF RESPONSES TO ANY REQUESTS FOR INFORMATION**

Ms. McCoy said we have handed out a listing of CIP proposed projects and a memo dated May 1<sup>st</sup> with follow up information that has been requested. We have more follow up documentation coming.

The CIP Listing is herewith attached to these minutes as Exhibit "5", and the May 1<sup>st</sup> memo is herewith attached to these minutes as Exhibit "6".


Chair Abeyta said our agenda for tomorrow was to start with CIP. We will finish the Departments first.

Everyone agreed.



**7. ADJOURN**

There being no further business before the Committee the meeting adjourned at 4:40 pm.

  
\_\_\_\_\_  
Councilor Roman Abeyta, Chair  
\_\_\_\_\_  
Elizabeth Martin, Stenographer

Parking Debt Service-FY20 budget goes back to the FY18 budget, which represents a significant increase of FY19, please explain. Does this change account for much of the 22.5% increase in the division's budget?

Transit-Transit Bus Operations, SF Pick Up, and Paratransit all show significant increases in Overtime pay, what is driving this? Does Lodger's tax support SF Pick Up?

#### PUBLIC UTILITIES

Environmental Services-Explain 37% increase for tipping fees in SWM Admin. This was due to projected increased costs for stricter recycling protocols. Shirlene will be able to give more detail on this.

How does Utility Interfund Support work? It essentially works like a transfer from the 3 main utilities (Environmental Svcs, Water & Wastewater) to the Utilities Admin. and Customer Service funds, to cover budgeted expenditures in those latter 2 funds. The cost share is based on the previous year's revenue generation for each of the 3 utilities.

Utility Customer Service-Under Utility Billing Admin, discuss Software Subscriptions. This includes Badger meter reading system software license @ \$308K, Mountain River consulting (for the utility billing system) @ \$700K, and Virtuoso software license \$3K. Shannon and his staff can provide more detail on these licenses. Under Utility Customer Service, Lien Placement is down 90%, what is driving this change? Actuals. They are running much lower than the originally-requested amount of \$20,000 (I reduced during my review to \$2K).

Wastewater Management-Under Wastewater Management, Grants and Services see a 100% decrease or \$553,028.00, please explain. The grants & services were the originally-budgeted location for the assessments to the 3 utilities for Utilities Admin. and Customer Service costs; however, late in the budget process last year we changed the line where these costs are paid/received to interfund support (which again, acts more like a transfer) so as not to cause confusion with other grants/services expenses that may exist in the 3 utilities; also because this is not really a grant but an assessment/transfer.

Water Operations-Under Wtr Div Admin & Oper, similar 100% decrease in Grants and Services which totals \$2,873,596.00, please explain. See response to item immediately above.

Under Conservation, what are the Subsidy Payments for and why the decrease? Those are for water conservation rebates paid to customers for installation of low-flow toilets. Water may be able to provide more detail on why they reduced this amount, but I'm assuming it's based on actuals, which have trended closer to \$200K than to the \$500K previously budgeted here.

Thanks, Mike Harris

Get Outlook for iOS

Exhibit "1"

1. Environmental Services-Explain 37% increase for tipping fees in SWM Admin.

An increase in SFSWMA tipping fees is anticipated;

**From:** Randall Kippenbrock

**Sent:** Friday, February 8, 2019 7:42 PM

**To:** Shirlene Sitton ([sesitton@ci.santa-fe.nm.us](mailto:sesitton@ci.santa-fe.nm.us)) <[sesitton@ci.santa-fe.nm.us](mailto:sesitton@ci.santa-fe.nm.us)>

**Subject:** Budget Numbers for Friedman Recycling and Glass for City of Santa Fe for FY 2020 Budget

Shirlene,

Below are budgetary numbers for Friedman Recycling and Glass for the City of Santa Fe. Keep in mind that I will bring forward to the Board to consider these cost of service per ton for FY 2020.

Friedman Recycling

6,655 tons

\$136 per ton

\$905,080

Glass in 2018

770 tons

\$65 per ton

\$50,050

Thanks.

Randall

In addition, ESD will need to dispose of material generate by the expansion of a retention pond at the Siler Road Complex, estimated at \$100,000.

2. How does Utility Interfund Support work?

Each of the three enterprise funds (Water, Wastewater, and Environmental Service) are assigned a percentage based upon projected revenue. This percentage is applied to cover the cost associated with Utility Billing and Public Utilities Administration cost.

Utility Interfund (transfer out) is funding from Wastewater, Water, and Environmental Services listed as an expense into Utility Billing and Public Utilities Administration listed as a revenue to fund these divisions.

Exhibit "2"

	Util Chg Rev (less tax/interest/xfrs)	Meter Reading & Accountant	Billing/CS/ Collections	Utilities Administration
Solid Waste	12,835,183	0.00%	20.26%	20.26%
Wastewater	12,931,970	0.00%	20.41%	20.41%
Water	37,596,906	100.00%	59.33%	59.33%
total	63,364,059	100.00%	100.00%	100.00%

3. Utility Customer Service-Under Utility Billing Admin, discuss Software Subscriptions.

Virtuoso – Debt Collection

Postal Pro – Billing printing and mailing and Paymentus (On-line Payment system)

Denovo – UCIS Billing Software

Beacon – Meter reading system

ArcGis – Meter location and parcel addressing

4. Under Utility Customer Service, Lien Placement is down 90%, what is driving this change?

The lien process has been automated and in working with the county we are now able to bundle liens (I believe 50) into batch and would only occur a single charge for the batch as opposed to each individual one.

5. Wastewater Management-Under Wastewater Management, Grants and Services see a 100% decrease or \$553,028.00, please explain.

Money to support Utility Billing and Public Utilities Administration was historically budgeted in Grants and Service but is now budgeted in Interfund Support.

6. Water Operations-Under Wtr Div Admin & Oper, similar 100% decrease in Grants and Services which totals \$2,873,596.00, please explain.

Money to support Utility Billing and Public Utilities Administration was historically budgeted in Grants and Service but is now budgeted in Interfund Support.

7. Under Conservation, what are the Subsidy Payments for and why the decrease?

Subsidy payments are used to fund rebates. More was allocated last year in expectation of an increase in participation of our commercial rebate program. This program needed to be supported by changes to an ordinance therefore the additional funding was preliminary. Once this program has been established we will add appropriate funding back in next FY.

# LAND USE DEPARTMENT Current Organization

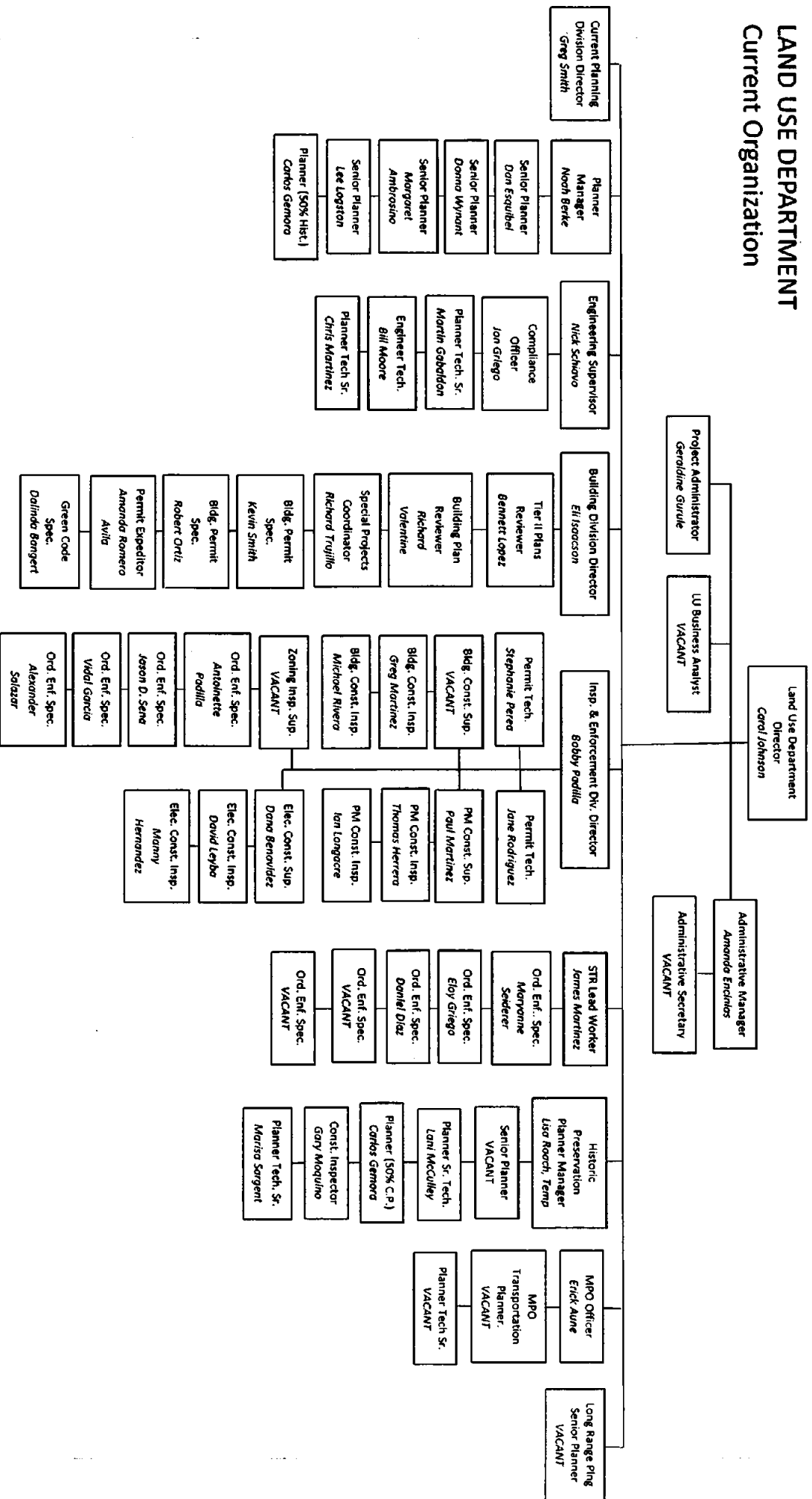
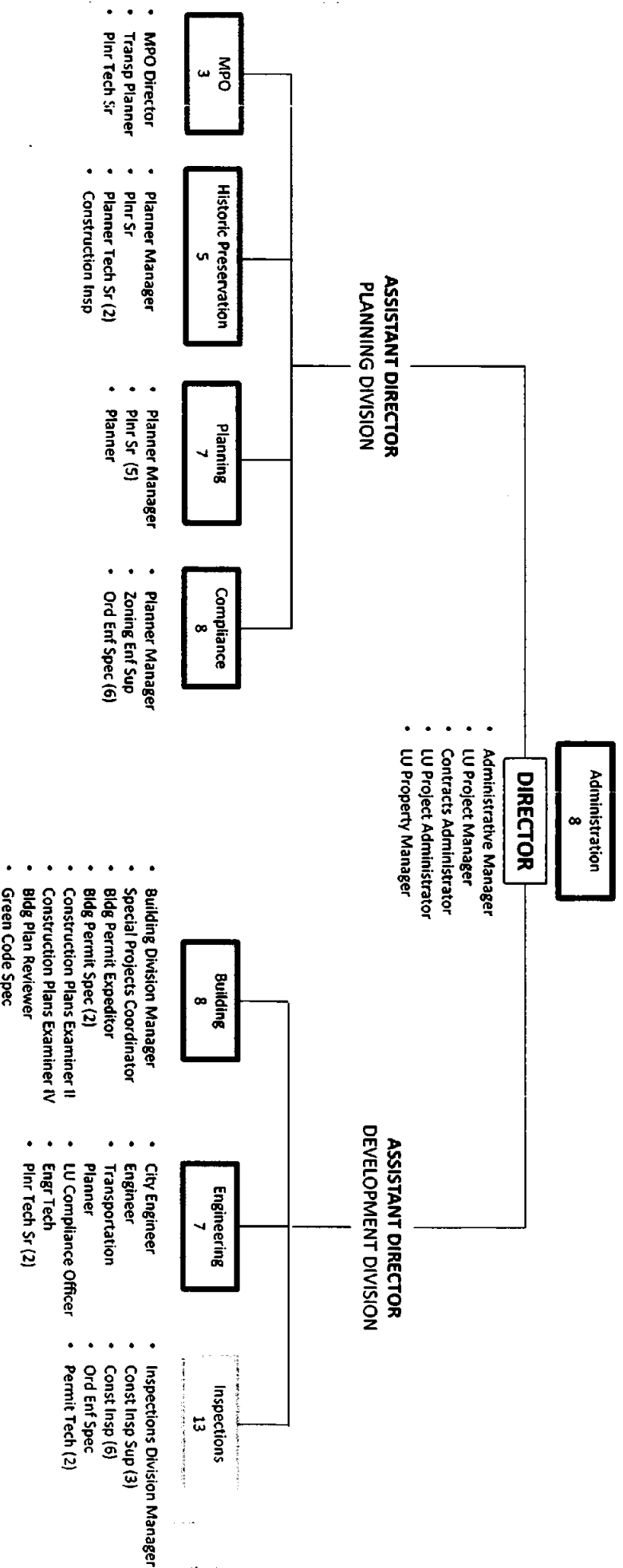


Exhibit "3"

# DEPARTMENT OF PLANNING & DEVELOPMENT

## Proposed Organization



# Land Use Fee Proposal (02-04-19)

Fee type	Current Fee	#/year	Proposed Fee	Unit	Current Revenue	Potential new Revenue
<b>CURRENT PLANNING ACTIVITIES</b>						
Pre-application meetings	\$0.00	70	\$100.00	meeting	\$0.00	\$7,000.00
Code Interpretation, formal issuance (PZ Letter/zoning statements)	\$0.00	15	\$150.00	request	\$0.00	\$2,250.00
Zoning Compliance Letter/form	\$0.00	175	\$150.00	letter/form	\$0.00	\$26,250.00
Preliminary zoning review for HDRB	\$0.00	110	\$100.00	review	\$0.00	\$11,000.00
Zoning Verification letters	\$0.00	350	\$75.00	letter	\$0.00	\$26,250.00
Certificate of Compliance - Administrative (lot of record)	\$0.00	10	\$200.00	certificate	\$0.00	\$2,000.00
Certificate of Compliance - Planning Commission (lot of record)	\$0.00	3	\$500.00	certificate	\$0.00	\$1,500.00
Certificate of Compliance - (Residential Condominium)	\$0.00	6	\$150.00	statement	\$0.00	\$900.00
Administrative Development Plan Approval	\$0.00	6	\$300.00	per request	\$0.00	\$1,800.00
ENN - staff attendance and documentation of meeting	\$0.00	50	\$150.00	per meeting	\$0.00	\$7,500.00
<b>Electric Facilities (per Res.2008-95-passed but not added to fee sched)</b>						
Administratively approved applications	\$0.00	0.20	\$500.00	application	\$0.00	\$100.00
Transmission line	\$0.00	0.20	\$2,000.00	application	\$0.00	\$400.00
Distribution lines	\$0.00	0.20	\$1,000.00	application	\$0.00	\$200.00
Substation or switching station	\$0.00	0.20	\$2,000.00	application	\$0.00	\$400.00
Lot Splits	\$250.00	30	\$400.00	per split	\$7,500.00	\$4,500.00
Variance - Planning Commission - Without Development Plan or Plat	\$500.00	10	\$750.00	variance	\$5,000.00	\$2,500.00
Variance - Board of Adjustments	\$250.00	5	\$300.00	variance	\$1,250.00	\$250.00
Waiver - Planning Commission	\$0.00	4	\$500.00	waiver	\$0.00	\$2,000.00
Waiver - City Council (utility undergrounding)	\$0.00	0.50	\$1,500.00	waiver	\$0.00	\$750.00
Waiver - PW Director (intersection visibility)	\$0.00	50	\$100.00	waiver	\$0.00	\$5,000.00
Special or Conditional Use Permit	\$350.00	6	\$1,000.00	permit	\$2,100.00	\$3,900.00
Appeal (of LU Admin decision) [waived if petition w/ ## signatures or neighborhood]	\$100.00	3	\$200.00	Appeal	\$300.00	\$300.00
Appeal (of development review/planning com decision)	\$100.00	3	\$200.00	Appeal	\$300.00	\$300.00
Alternate means of compliance - LU Director	\$0.00	10	\$500.00	per request	\$0.00	\$5,000.00
Alternate Means of Compliance - (Land Use Board)	\$0.00	10	\$500.00	per request	\$0.00	\$5,000.00
Administrative deviations - (Land Use Board)	\$0.00	1	\$500.00	per request	\$0.00	\$500.00
Administrative deviations	\$0.00	5	\$500.00	per request	\$0.00	\$2,500.00
Innovative Road Standard	\$0.00	6	\$500.00	per request	\$0.00	\$3,000.00
Applicant-requested postponement	\$0.00	2	\$500.00	postponement	\$0.00	\$1,000.00
Other Land Use Development Review (per hour) (cosf never used)	\$50.00	0	\$125.00	hour	\$0.00	\$0.00
<b>TECHNICAL REVIEW ACTIVITIES</b>						
Floodplain determination Letter	\$0.00	10	\$50.00	per request	\$0.00	\$500.00
Escarpment Pre-Submittal Meeting - New Conststruction	\$0.00	60	\$100.00	per request	\$0.00	\$6,000.00
Escarpment Pre-Submittal Meeting - Addition/Remodel	\$0.00	30	\$50.00	per request	\$0.00	\$1,500.00
Escarpment Pre-Submittal Meeting - Other (small e.g., fence, shed, etc.)	\$0.00	30	\$25.00	per request	\$0.00	\$750.00
Escarpment - Site Visit	\$0.00	5	\$120.00	site visit	\$0.00	\$600.00
Escarpment - Alternate siting	\$0.00	10	\$1,000.00	per request	\$0.00	\$10,000.00
Prarie Dog Relocation Administration	\$0.00	32	\$150.00	request	\$0.00	\$4,800.00
Letter of Credit Initial processing (includes closeout)	\$0.00	5	\$500.00	financial guarantee	\$0.00	\$2,500.00
Letter of Credit Draw-down Approval	\$0.00	25	\$150.00	drawdown	\$0.00	\$3,750.00
Cash Escrow	\$0.00	25	\$200.00	escrow	\$0.00	\$5,000.00
Pre-application advisory inspections for G&D, landscaping or ADA	\$0.00	200	\$100.00	per inspection request	\$0.00	\$20,000.00
Alternate Means of Compliance - Landscape Requirements	\$0.00	5	\$500.00	per reg varied	\$0.00	\$2,500.00
Alternate Means of Compliance - Grading and Drainage requirements	\$0.00	0	\$500.00	per reg varied	\$0.00	\$0.00
<b>BUILDING PERMIT ACTIVITIES</b>						
Pre-Submittal Building Permit Meeting - Large Projects with Multiple Subject Matter Experts (1.5 hours)	\$0.00	6	\$500.00	meeting	\$0.00	\$3,000.00
Optional Pre-Submittal Building Permit Meeting - Small Projects with 1 or 2 Subject Matter Experts (1 hour)	\$0.00	30	\$120.00	meeting	\$0.00	\$3,600.00
Pre-Submittal building permit plan review consultations	\$0.00	400	\$60.00	station review	\$0.00	\$24,000.00
Addressing: (verification/assignment/change)	\$0.00	800	\$50.00	address	\$0.00	\$40,000.00
Green Building Code - Early consultation	\$0.00	10	\$60.00	consultation	\$0.00	\$600.00
Green Building Code - Building Permit Review - residential	\$0.00	150	\$100.00	per permit	\$0.00	\$15,000.00
Green Building Code - Revisions During Construction	\$0.00	25	\$25.00	revision	\$0.00	\$625.00
PV Solar -Private residential	\$0.00	140	\$100.00	Installation	\$0.00	\$14,000.00
Permit review corrections (1st one free/station) and then:	\$0.00	400	\$30.00	station/correction	\$0.00	\$12,000.00
Building Permit Extensions	\$0.00	133	\$100.00	6 month ext	\$0.00	\$13,300.00
Change information and reissue permit board	\$0.00	30	\$120.00	revision	\$0.00	\$3,600.00

Exhibit "4"

Fee to administer impacts fees (3%)	\$0.00	700000	\$0.03	3% of fees*	\$0.00	\$21,000.00
<b>WATER BUDGET ACTIVITIES</b>						
Review alternate development water budget proposal	0	6	\$400.00	request	\$0.00	\$2,400.00
<b>HISTORIC AND ARCHAEOLOGICAL ACTIVITIES</b>						
Historic Structure Assessment	\$0.00	540	\$60.00	per hour	\$0.00	\$32,400.00
Planner site visits for all HDRB and administrative cases	\$0.00	540	\$120.00	per hour	\$0.00	\$64,800.00
Archaeological Review Application fee for public hearing	\$0.00	30	\$100.00	per request	\$0.00	\$3,000.00
Appeal to Archaeological Review Committee	\$0.00	0	\$100.00	per appeal	\$0.00	\$0.00
<b>BUILDING CODE INSPECTION ACTIVITIES</b>						
Home occupation		400	\$175.00	application	\$0.00	\$70,000.00
Special event permit (for larger events, needs definition)	\$0.00	175	\$100.00	permit	\$0.00	\$17,500.00
Noise permit	\$0.00	40	\$25.00	permit	\$0.00	\$1,000.00
Itinerant vendors	\$0.00	400	\$150.00	permit	\$0.00	\$60,000.00
Certificates of Occupancy (not for building permit)	\$0.00	600	\$250.00	certificate	\$0.00	\$150,000.00
<b>CODE ENFORCEMENT ACTIVITIES</b>						
Temporary Use Permit		25	\$125.00	permit	\$0.00	\$3,125.00
<b>TOTAL PROJECTED POSSIBLE NEW REVENUE</b>						<b>736,900.00</b>

\* Fees must be used to pay for impact fee administration ONLY. Would need to demonstrate expenses (staff time across department)



City of Santa Fe FY20 CIP Budget Proposal  
Funded Projects

CIP Project Name	FY 20 Proposed CIP Budget	Gas Tax Bond	2018 GRT	District	3102	Federal	State	County	Grant	Rollover	Unfunded
Acequia Trail (\$26002)	165,707									165,707	
ADA Improvements	6,089									6,089	
Agua Fria/Cottonwood Dr Intersection	110,798								110,798		
Agua Fria/S. Meadows Intersection	125,000										
Airport CIP Projects	13,153,898					4,053,898	125,000				
Arroyo Chamiso East (\$26003)	143,273		100,000				9,000,000				
Art for CIP Projects	673,787		400,000							143,273	
Bridge Rehabilitation	24,073									273,787	
Broadband Infrastructure	296,418									24,073	
Bus Shelter / Stop Upgrades	612,330					400,000				296,418	
Canada Runcon Trail (\$26012)	35,399									35,399	212,330
Christian St Vincent's Behavioral Health or Substance Abuse	50,000						50,000				
City Hall	600,000		600,000								
Citywide Traffic Calming	253,273									253,273	
Citywide Bike Lane Wayfinding (\$26009)	22,429										22,429
Constituent Request Management (CRM) System	100,000		100,000								
Downtown Transit Center	2,340,824					700,000	160,000				1,640,824
El Museo Cultural	160,000										
ERP Financial Software	3,131,000				3,131,000						
Fire Station #2	6,435,995		6,000,000							435,995	
Fort Marcy Improvements	71,966		700,000							71,966	
Fort Marcy Renovation	700,000		700,000								
GCCC CIP Projects	5,272,818		4,300,000							972,818	
Greenhouse for Horticulture Therapy Program	50,000						50,000				
Guadalupe Street	32,449									32,449	
Harrison Road Sidewalk/Lighting Improvements	200,000						200,000				
Intersection Safety Projects	28,449									28,449	
Kitchau Angels CIP	432,234						432,234		84,000		
La Comunidad de los Niños	134,000						50,000				
Literary - Main	155,000		155,000								
Literary - Southside	165,000		165,000								
Mary Esther Gonzales (MEG) Senior Center Cafeteria Addition	235,000		235,000								
Mary Esther Gonzales (MEG) Senior Center Vehicles/Equipment	369,859									369,859	
MRC CIP Projects	750,000		500,000				250,000				
Municipal Court	117,000						117,000				
Municipal Facility Repair	1,006,071									1,006,071	
Museum Hill Campus Improvements	50,000						50,000				
Network Upgrades - ITT	338,513				338,513						
Parks - Portable Special Events Stage	172,950									172,950	
Participatory Budgeting Project	50,000									50,000	
Paved Street Resurfacing	110,819									110,819	
Plaza Public Restrooms	550,000						550,000				
Public Safety Radio	2,500,000		2,000,000					500,000			
Public Safety Radio/Wireless	200,000		200,000								
Rail Trail - All Segments	772,545									772,545	
Restore Bridges at Urban Trails	235,000		235,000								
River Trail	51,383									51,383	
Road Sharrow Project	352,824									352,824	
Safety Misc. Projects	38,726									38,726	
Salvador Perez	2,624,762		2,450,000								174,762
Santa Fe Business Incubator Improvement	260,000						260,000				
Solas Crisis Center	100,000						100,000				
Sandoval / Montezuma (32827)	100,000						100,000				
Santa Fe University of Art & Design	1,100,000		1,100,000								
Senior Center Renovations	130,860									130,860	
Siler Building	469,328		469,328								

Exhibit "S"

City of Santa Fe FY20 CIP Budget Proposal  
Funded Projects

CIP Project Name	FY 20 Proposed CIP Budget	Gas Tax Bond	2018 GRT	Disaster	2102	Federal	State	County	Grant	Reliever	Unfunded
San Diego Road Facility	120,000		120,000							462,742	
Small Sidewalks	462,742										
Solarization of City Facilities	925,000						925,000				
Southeast Town Center CIP	2,100,000				1,000,000		1,100,000				
Southeast Transit Center	3,480,000					3,480,000					
St. Francis Trail Crossing	30,924									30,924	
Street Light Compliance	56,767									56,767	
Streets (Gas Tax) Projects	6,329,543	6,329,543									
SWAN Park	891,255									891,255	
Tierra Concreta Trail	487,295									487,295	
Trails	75,103									75,103	
Tree Roots & Pavement Plaza	60,000		60,000								
Wastewater CIP Projects	17,196,515			15,000,000						2,196,515	
Water CIP Projects	3,948,813									3,948,813	
Watershed Maintenance	1,688									1,688	
<b>Total FY20 CIP Budget</b>	<b>84,533,495</b>	<b>6,329,543</b>	<b>19,889,328</b>	<b>15,000,000</b>	<b>4,469,513</b>	<b>8,633,898</b>	<b>13,519,234</b>	<b>500,000</b>	<b>194,798</b>	<b>14,121,597</b>	<b>1,875,583</b>



# City of Santa Fe New Mexico

## *Finance Department*

### Memorandum



DATE: May 1, 2019  
TO: Finance Committee  
FROM: Mary McCoy, Finance Director  
RE: Follow Up from FY20 Budget Hearings

---

In the attached packet please find City staff's follow up on the items listed below.

1. Cost of broadcasting Finance, Utilities, Public Works committee meetings
2. Update on fraud, waste, abuse hotline
3. Santa Fe Health Fund reserve level policy
4. Training budgets by department
5. Position count and year over year changes for each department
6. Additional analysis of Property Tax revenue estimate
7. Breakout of the Municipal Court revenues
8. Explanation of Parks and Recreation Trust in Agency Fund (Leagues)

Follow up is still pending on the items listed below from the FY20 Budget Hearings:

#### City Manager

- Operating Budget for Coalition for LANL communities
- Policy on out-of-country travel and selection process

#### Human Resources

- Position classifications with corresponding ranges
- Benefits Excise Tax Presentation - scheduled for 5/20 Finance Committee

#### City Attorney

- Can Lodgers Tax fully fund Transit's Santa Fe Pick Up Operations?
- Documentation to justify City Council pay increases
- Legal Opinion on
  - when the City can stop the DWI Forfeiture Program
  - How many Vehicles currently have impounded, how long would it take get rid
  - How can money in reserve fund be used, need to be returned, can it be appropriated for other purposes

Exhibit "6"

#### **Parks**

- Plan to hire life guards as temp employees to pay them more
- Parks plan to spend \$325 thousand
- Parks plan to address Las Soleras park
- Since limited number of kids are served, alternative plan for providing rec center programming (can funding be better used for another purpose, opening facilities to others, etc.)

#### **Community Services**

- What is the \$459 thousand in Seniors used for? Line item 520500, Repairs and Maintenance for Vehicles (page 20)
- Utilization of LaFarge Library

#### **Convention Center**

- Convention Center rentals to local groups vs. out of town groups
- List of vendors at the Convention Center
- Membership of OTAB and List of organizations selected for OTAB Grants

#### **Finance**

- Details on City funding for County's youth detention
- Breakout of the Municipal Court actual revenues

#### **Follow Up Provided on 4/25:**

- Update on Constituent and Council Services position changes (provided April 24<sup>th</sup>)
- Status of the Comcast Agreement negotiations
- Council Resolution on Culture Connects
- List of who handles Social Media accounts
- Social media policies



# City of Santa Fe New Mexico

## Memorandum



DATE: April 30, 2019  
TO: Finance Committee  
FROM: Bernadette Salazar, HR Director  
RE: FY20 Budget Hearing- Follow Up  
Re: Fraud, Waste & Abuse Hotline

---

As requested by City Council during the FY20 Budget Hearing on April 24<sup>th</sup>, below is information on the Fraud, Waste and Abuse Hotline. The Fraud, Waste and Abuse Hotline is a mechanism for employees to report misconduct, violations of City policy, theft, waste, or misuse of City assets. Individuals can file a report 24 hours a day, 7 days a week. The first option is to file a report by calling the toll free number (844-356-8009). When calling this number, a live operator (not a City employee) will walk you through the reporting process. The second option is to complete an online report by visiting <http://www.SantaFeFraudHotline.ethicspoint.com>. Reports are entered directly on the Ethics Point secure server to prevent any possible breach in security. Once a report is completed, the Ethics Point system will generate an email. Designated HR employees can then access the system, review the report, and route it accordingly. In addition, the City Attorney will receive notifications and can view all reports. The legal and HR teams will then determine the appropriate course of action to take. Individuals filing a report can return to the site or call the toll free number for follow up. Details of the status will not be provided. Individuals have the choice of identifying themselves or remaining anonymous. The link is currently on the City of Santa Fe's intranet homepage. ITT currently manages the yearly subscription budget. According to the Joshua Elicio, ITT Director, the annual subscription is \$4,600.00. In March of 2019, the subscription service was extended for another year. If you have any questions or concerns, I am available. Thank you.



# City of Santa Fe New Mexico

## Memorandum



DATE: April 30, 2019  
TO: Finance Committee  
FROM: Bernadette Salazar, HR Director  
RE: FY20 Budget Hearing- Follow Up  
Re: Possible Reserve Policy for benefits fund balance

---

As requested by City Council during the FY20 Budget Hearing on April 24<sup>th</sup>, the HR team conducted a search of a resolution or policy regarding a reserve amount for the insurance benefits fund. A resolution or policy was not identified, however there was a Council discussion on April 8, 2015 regarding this topic. The discussion included the idea of establishing a 5 million dollar reserve for the insurance benefits fund. The HR team can begin working on developing an insurance benefits reserve fund policy in the event Council is interested in establishing a policy. The next step in the insurance benefits process will be to meet with the Group Insurance Benefits Advisory Committee. If you would like the minutes from April 8, 2015, please let me know I will provide them to you. I am available for any questions or concerns that may arise. Thank you.



# City of Santa Fe New Mexico

## *Finance Department*

### Memorandum



DATE: May 1, 2019  
TO: Finance Committee  
FROM: Mary McCoy, Finance Director  
RE: Follow Up from FY20 Budget Hearings  
Re: FY20 Travel & Training Recommended Budget By Department

---

As requested by City Council during the FY20 Budget Hearing on April 24th, below is an update on the City of Santa Fe's FY20 Travel & Training Recommended Budget.

The total amount recommended in the FY20 Travel & Training budget for the City is \$1.6 million. The largest amount budgeted for travel/training are in the HR, Police and Visitors Bureau budgets.

Please see attached for the breakout by department for the FY20 Travel & Training Recommended Budget.

Dept Title	Div Title	Obj Class	FY20 Proposed
Community Services	Com Svc Admin	Travel/Training	4,000.00
Community Services	Senior Services	Travel/Training	63,144.00
Community Services	Youth & Family	Travel/Training	14,700.00
Finance	Finance Administration	Travel/Training	78,000.00
Finance	Accounting	Travel/Training	-
Finance	Financial Planning & Reporting	Travel/Training	5,500.00
Finance	Fleet Management	Travel/Training	13,228.00
Finance	Purchasing	Travel/Training	1,000.00
Finance	Risk Management	Travel/Training	-
Finance	Treasurer	Travel/Training	-
Fire	Fire Administration	Travel/Training	-
Fire	Fire Operations	Travel/Training	40,756.00
Fire	Fire Support Services	Travel/Training	150,161.00
General Government	Mayor/Council	Travel/Training	49,875.00
General Government	City Manager	Travel/Training	11,500.00
General Government	City Attorney	Travel/Training	7,100.00
General Government	Constituent & Council Svcs	Travel/Training	3,500.00
General Government	City Clerk	Travel/Training	5,000.00
General Government	Internal Audit	Travel/Training	-
General Government	Municipal Court	Travel/Training	26,300.00
General Government	Affordable Housing	Travel/Training	13,370.00
General Government	Arts & Culture	Travel/Training	17,900.00
General Government	Economic Development	Travel/Training	24,268.00
General Government	Emergency Management	Travel/Training	69,565.00
Human Resources	Human Resources Div	Travel/Training	205,100.00
Info Tech & Telecom	ITT Administration	Travel/Training	20,000.00
Info Tech & Telecom	ITT End User Svcs	Travel/Training	15,200.00
Info Tech & Telecom	Enterprise Application Svcs	Travel/Training	48,100.00
Info Tech & Telecom	ITT Infrastructure Svcs	Travel/Training	12,000.00
Parks & Recreation	Park & Rec Admin	Travel/Training	5,100.00
Parks & Recreation	Genoveva Chavez Comm Ctr	Travel/Training	22,900.00
Parks & Recreation	Municipal Rec Complex	Travel/Training	5,100.00
Parks & Recreation	Parks, Trails & Watershed	Travel/Training	11,000.00
Parks & Recreation	Recreation	Travel/Training	2,750.00
Planning & Land Use	Land Use Administration	Travel/Training	8,000.00
Planning & Land Use	Building Permit Div	Travel/Training	13,000.00
Planning & Land Use	Current Planning	Travel/Training	10,950.00
Planning & Land Use	Historic Preservation	Travel/Training	4,000.00
Planning & Land Use	Inspections & Enforcemt	Travel/Training	15,000.00
Planning & Land Use	Long-Range Planning	Travel/Training	-



Dept Title	Div Title	Obj Class	FY20 Proposed
Planning & Land Use	Metropolitan Planning Org	Travel/Training	16,270.00
Planning & Land Use	Technical Review Div	Travel/Training	4,400.00
Police	Police Administration	Travel/Training	144,500.00
Police	Police Operations	Travel/Training	11,000.00
Public Utilities	Pub Utilities Admin	Travel/Training	150.00
Public Utilities	Environmental Services	Travel/Training	46,416.00
Public Utilities	Utility Customer Service	Travel/Training	24,186.00
Public Utilities	Waste Water	Travel/Training	20,936.00
Public Utilities	Water	Travel/Training	23,226.00
Public Works	Pub Works Admin	Travel/Training	-
Public Works	Airport	Travel/Training	19,300.00
Public Works	Engineering Division	Travel/Training	20,850.00
Public Works	Facilities Maintenance	Travel/Training	6,500.00
Public Works	Parking	Travel/Training	21,300.00
Public Works	Streets & Drainage Maint	Travel/Training	1,250.00
Public Works	Transit	Travel/Training	33,500.00
TOURISM Santa Fe	SF Civic Center	Travel/Training	1,000.00
TOURISM Santa Fe	Visitors Bureau	Travel/Training	179,500.00
Non-Departmental	Buckman Direct Diversion	Travel/Training	-
Non-Departmental	SWAMA	Travel/Training	41,000.00
	<b>Total</b>		<b>1,612,351.00</b>



# City of Santa Fe New Mexico

## Memorandum



DATE: April 30, 2019  
TO: Finance Committee  
FROM: Bernadette Salazar, HR Director  
RE: FY20 Budget Hearing- Follow Up  
Re: Number of Positions

---

As requested by City Council during the FY20 Budget Hearing on April 24<sup>th</sup>, attached is the number of positions by Department. If you have any questions, please contact me. Thank you.

## Community Services Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	2.00	3.00	3.00
Classified	74.00	74.00	74.00
Term	49.00	49.00	49.00
<b>Total Positions</b>	<b>125.00</b>	<b>126.00</b>	<b>126.00</b>

## Finance Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	1.00	1.00	1.00
Classified	58.00	49.00	48.00
Term	1.00	1.00	1.00
<b>Total Positions</b>	<b>60.00</b>	<b>51.00</b>	<b>50.00</b>

## Fire Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	2.00	2.00	2.00
Classified	192.00	192.00	195.00
Term	16.00	16.00	16.00
<b>Total Positions</b>	<b>210.00</b>	<b>210.00</b>	<b>213.00</b>

## General Government Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected	10.00	10.00	10.00
Exempt	37.00	40.00	40.00
Classified	29.00	27.00	33.00
Term	2.00	2.00	3.00
<b>Total Positions</b>	<b>78.00</b>	<b>79.00</b>	<b>86.00</b>

## Human Resources Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	1.00	1.00	1.00
Classified	12.00	17.00	17.00
Term	1.00	0.00	0.00
<b>Total Positions</b>	<b>14.00</b>	<b>18.00</b>	<b>18.00</b>

## ITT Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	1.00	1.00	1.00
Classified	32.00	32.00	32.00
Term			
<b>Total Positions</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>

## Planning and Land Use Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	1.00	1.00	1.00
Classified	53.00	52.00	56.00
Term	4.00	3.00	3.00
<b>Total Positions</b>	<b>58.00</b>	<b>56.00</b>	<b>60.00</b>

## Police Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	7.00	7.00	7.00
Classified	222.00	222.00	222.00
Term	2.00	2.00	2.00
<b>Total Positions</b>	<b>231.00</b>	<b>231.00</b>	<b>231.00</b>

## Parks and Recreation Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	1.00	1.00	1.00
Classified	145.00	144.00	144.00
Term			1.00
<b>Total Positions</b>	<b>146.00</b>	<b>145.00</b>	<b>146.00</b>

## Public Utilities Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	5.00	5.00	5.00
Classified	245.00	249.00	249.00
Term	1.00	1.00	1.00
<b>Total Positions</b>	<b>251.00</b>	<b>255.00</b>	<b>255.00</b>

## Public Works Department

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	5.00	5.00	5.00
Classified	164.00	163.00	155.00
Term	142.00	142.00	144.00
<b>Total Positions</b>	<b>311.00</b>	<b>310.00</b>	<b>304.00</b>

## Tourism

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	14.00	14.00	14.00
Classified	28.00	28.00	24.00
Term	1.00	1.00	4.00
<b>Total Positions</b>	<b>43.00</b>	<b>43.00</b>	<b>42.00</b>

## Citywide

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected	10.00	10.00	10.00
Exempt	77.00	81.00	81.00
Classified	1254.00	1249.00	1249.00
Term	219.00	217.00	224.00
<b>Total Positions</b>	<b>1560.00</b>	<b>1557.00</b>	<b>1564.00</b>

## Non Departmental (BDD and SWAMA)

	FY19 Position Count	FY19 Position Changes	FY20 Recommended Position Count
Elected			
Exempt	1.00	1.00	1.00
Classified	71.00	71.00	71.00
Term	1.00	1.00	1.00
<b>Total Positions</b>	<b>73.00</b>	<b>73.00</b>	<b>73.00</b>



# City of Santa Fe New Mexico

## Memorandum



DATE: May 1, 2019  
TO: Finance Committee  
FROM: Christina Keyes, Treasury Officer  
VIA: Mary T. McCoy, Finance Director  
RE: FY20 Budget Hearing: Property Tax Revenue Estimate – Additional Information

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As requested during the FY20 Budget Hearing on April 24<sup>th</sup>, the following provides an update on the Property Tax Revenue Estimate for FY20.

*The following provides a brief summary of revenue received by the City of Santa Fe. Revenue projections are estimates and should be viewed as such. A revenue forecast is a living instrument to provide a picture of where the City has been historically and the potential direction it may head. Calculations are based upon historical information, which guide projections, while forward-looking variables and indicators are subject to changes due to economic shifts on national, state and local levels. The stability of variables and continued strengths of the community lend to somewhat predictable behaviors and economic patterns. Revenue projections should be reviewed quarterly and updated every six months to align forward looking patterns with historical activities. This is the first year the City has performed revenue forecasting.*

### **Property Tax**

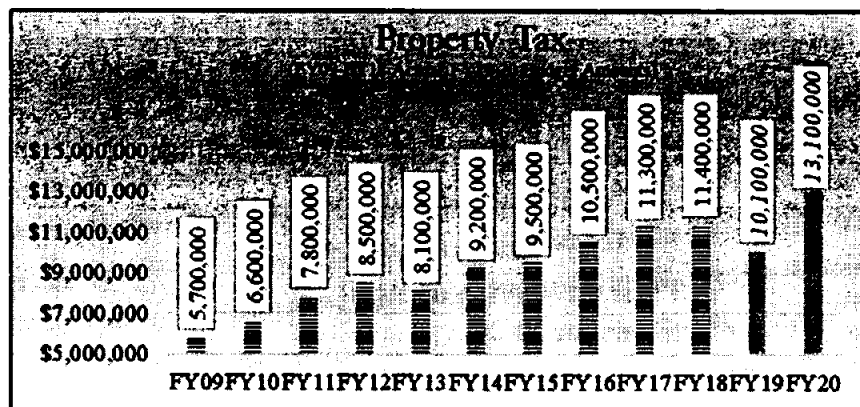
Property tax is comprised of revenue associated from new construction, maintenance and market value for commercial and residential properties within the City of Santa Fe. Typically, property tax revenue is generated by 20.6 percent commercial and 79.4 percent residential properties. Changes in property valuation may occur when ownership transitions to a new owner, improvements to the property occur (ie: additions, outbuildings, etc.), damage due to disaster or calamity or the reassessment of the property to market value. Property valuations may be impacted by various economic indicators.

According to the Santa Fe County Assessor's Office, the timeline for property valuation and tax payments is as follows:

- January 1<sup>st</sup>: Property tax status subject to valuation determined.
- February 28<sup>th</sup>: Property tax exemption filing deadline.
- April 1<sup>st</sup>: Notice of property value mailed to property owners.
- April 30<sup>th</sup>: Protest petition filing deadline.

September 1<sup>st</sup>: Deadline for Department of Finance to set tax rates.

November 1<sup>st</sup>: Tax bills mailed to property owners.



(Source: City of Santa Fe Finance Department)

Property tax is generated primarily from the assessed property value and the sales of homes and property within the City and payments are typically cyclical due to remittance deadlines. In FY17 and FY18, the City received \$11.3 million and \$11.4 million, respectively. Property tax revenue is estimated to continue on its upward trend. Over FY15-18, property tax receipts have increased nearly 20 percent; an exceedingly strong pace. For FY18, property tax revenue received was \$11.4 million, which made up 9.475 percent of total General Fund revenue. FY19 projection anticipated growth of approximately \$600,000 bringing the level to \$12 million. Property tax revenue was budgeted during the previous budget process for \$10.1 million in FY19 which did not account for the increased revenue activity. The FY20 forecast of \$13.1 million continues the projected growth trend observed over the last four fiscal years in tandem with the timing of tax payment remittance per the County's timeline; doubling growth observed in the current fiscal year. This strength is supported by the 'new growth' (construction on land already valued) within Santa Fe, particularly new construction projects anticipated to come on to the tax rolls in FY20, including housing projects: Madera Apartments, Turquesa Apartments, Acequia Lofts, South Meadows Apartments and Rancho Vizcaya III Apartments.

The record level home sales have garnered a spike in property tax distribution to the County and the City. Forecasts based upon historical activity, as well as inquiries with various industry experts confirm a similar outlook. The consensus supports a continued, strong upswing in property tax activity, driven by most economic indicators holding steady and the momentous wave of second homeowners and retirees along with boomerang demographics finding Santa Fe as their new home.





# City of Santa Fe New Mexico

## Memorandum



Several variables have contributed to the strong movement in home sales including:

- Strong credit scores among applicants.
- Long periods of sustained lower interest rates – that are expected to increase minimally in the next fiscal year.
- Millennial homeownership on an upswing. The first millennials were born in 1981, now 38 years old, are moving towards this delayed lifestyle decision. The decade long decline of homeownership among millennials has abruptly reversed, especially in Q4 2018.
- The homeownership rate has regained all ground lost since 2014, reversing the long-running trend from renting to owning homes.
- Population inflow over the last ten years due in large part to the annexation of neighborhoods lying outside City limits.
- Increases in average hourly wages contributes to lower percentage of income contributing to home ownership.
- Lower unemployment levels contribute to homeownership opportunities.
- Santa Fe and New Mexico are listed as top retiree and second homeowner destinations.

Projections from the National Association of Realtors show the 30 year fixed rate mortgage projected to climb over the next year, yet remaining at a relatively balanced level below six percent, at which point, home sales would begin to stall.

### 30 Year Fixed Rate Mortgage

2016	2017	2018	2019	2020
3.7%	4.0%	4.6%	5.2%	5.4%

Building permits for new construction in Santa Fe remain low and available housing inventory doesn't meet demand of growing population; demand elasticity driving prices higher. Homes sold in Santa Fe are expected to continue trending at an elevated level, sustaining sales revenues. Population growth along with lower available housing inventory, combined with the appeal of living in Santa Fe are strong indicators of a potentially active real estate market in 2019.



# City of Santa Fe New Mexico

## Memorandum



DATE: May 1, 2019  
TO: Finance Committee  
FROM: Mary T. McCoy, Finance Director  
VIA: Andy Hopkins, Senior Budget Analyst  
RE: FY20 Budget Hearing: Analysis of Municipal Court Revenues for FY20

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As requested during the FY20 Budget Hearing on April 24<sup>th</sup>, the following provides an update on the Municipal Court revenues for FY20.

For FY20, proposed budget revenue for the Municipal Court reflects an increase of \$170,203 (138.9 percent) over the current year's budget. Much of this increase is due to the restoration of an internal recurring transfer of \$117,000 from the Municipal Court Home Detention Program Fund [2225] to the Municipal Court Program Fund [2223], reflecting a reallocation of revenues dedicated to the same purposes into a single location in order to streamline the procurement process. When this internal transfer among Municipal Court-administered funds is taken out of the equation, Municipal Court's revenue budget still reflects an increase of \$53,203 (43.4 percent) over the current year's budget. These adjustments are based on prior revenue activity in the various Municipal Court funds as well as the anticipated Court caseload for the upcoming fiscal year. Details of proposed revenue changes are as follows:

<u>Fund</u>	<u>Revenue Line</u>	<u>Annual \$ Change</u>	<u>Annual % Change</u>
Court Automation	Automation Fees	(7,206)	-40%
Court Automation	NM Adm Office the of Courts (grant)	30,000	+100%
State Pass-Thru Fees	Judicial Education Fees	10,679	+100%
State Pass-Thru Fees	Automation Fees	17,222	+38%
State Pass-Thru Fees	DWI Lab Fees	7,378	+369%
State Pass-Thru Fees	Drug Court Fees	(250)	-100%

*(Municipal Court Revenue Detail continued)*

<u>Fund</u>	<u>Revenue Line</u>	<u>Annual \$ Change</u>	<u>Annual % Change</u>
State Pass-Thru Fees	DWI Prevention Fines	12,423	+906%
Home Detention Program	Home Detention Fees	7,809	+244%
Home Detention Program	Correction Fees	(13,020)	-27%
Home Detention Program	Court Administrative Fees	(14,244)	-28%
<b>Total Revenue Change</b> (less transfers in)		<b>\$ 53,203</b>	<b>+43%</b>

In addition, there are some Municipal Court-generated revenues that accrue to the General Fund; because General Fund revenue is 'shared' among multiple Departments, it is considered Non-Departmental. These Court-generated revenues include DUI Screening Fees (increased by 369 percent, from \$5,753 in FY19 to \$27,000 in FY20), Bench Warrant Fees (increased by 3 percent, from \$23,391 in FY19 to \$24,000 in FY20), and Court Fines (decreased by 49 percent, from \$499,556 in FY19 to \$254,795 in FY20). Overall Municipal Court-generated revenues in the General Fund are decreased by \$222,905, or 42 percent, in the FY20 proposed budget.

When Municipal Court revenues in Court-administered funds and the General Fund are taken together as a whole, total FY20 proposed Court-generated revenues decreased \$169,702 (26 percent), from \$651,320 in the FY19 budget to \$481,618 in the FY20 budget.



# City of Santa Fe New Mexico

## Memorandum



DATE: May 1, 2019  
TO: Finance Committee  
VIA: Mary McCoy, Finance Director  
FROM: Debra Harris-Garmendia, Controller  
RE: FY20 Budget Hearing: Parks and Recreation Trust in Agency Fund (Leagues)

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As requested by City Council during the FY20 Budget Hearing, below is an update on the City of Santa Fe's Parks and Recreation Trust in Agency Fund (Leagues).

Fund 7103 is an agency fund, in essence a fiduciary fund. It cannot be used for City of Santa Fe Expenditures, but only for Special League (the Principal) expenditures such as payment to referees, balls, hoops, etc. In short, it is not the City's money.

Fiduciary accounts are established by a person or entity for the benefit of other persons or entities (called Principals). The person/entity that opens the account does not have ownership in the account or monies deposited. Custodial fiduciary accounts are those set up for the benefit of a beneficiary and administered by a responsible party known as a legal guardian or custodian. Governments may assume this responsibility as a custodian to take care of money that belongs to Principals.

Fund 7103 has two main revenue streams. Acct# 433800 Special League revenue accounting for 91 percent of revenue received in the last 10 years, and Acct# 433805 Olympic +50 League revenue accounting for 9 percent of revenue during the same time period. These revenue funds are primarily from registration fees collected by Ft Marcy and Senior's, respectively, and all monies are brought to the central cashier's office for depositing into the bank.

Fund 7103 has two expense business units. BU# 72103 Special Recreation league expenditures accounting for 91 percent of expenditures paid in the last 10 years primarily consisting of Professional Contracts and Other Consulting, such as League Official/Monitor. BU# 72109 Olympic +50 League accounts for 9 percent of expenditures during the same time period primarily consisting of Operating Supplies and Food.