



# Agenda

DATE 12/31/08 TIME 8:45am  
SERVED BY Yolanda Green  
RECEIVED BY [Signature]

**SPECIAL MEETING OF  
THE GOVERNING BODY  
JANUARY 5, 2009  
5:15 P.M.  
CITY COUNCIL CHAMBERS**

**AFTERNOON SESSION – 5:15 P.M.**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. ROLL CALL
5. APPROVAL OF AGENDA
6. SANTA FE RAILYARD COMMUNITY CORPORATION (Postponed at December 10, 2008 City Council Meeting)
  - a. REQUEST FOR APPROVAL OF AMENDMENT NO. 15 TO PROFESSIONAL SERVICES AGREEMENT – COMPLETION OF POLICIES AND PROCEDURES FOR THE RAILYARD, PLAZA AND ALAMEDA (BOB SIQUEIROS)
    1. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – RAILYARD DEVELOPMENT INFRASTRUCTURE FUND
7. DISCUSS AND APPROVE BUDGET CONTROL ACTIONS AND REVIEW FISCAL YEAR 2008/2009 BUDGET STATUS (DAVID MILLICAN)
8. ADJOURNMENT

**THE FINANCE COMMITTEE MEETING WILL COMMENCE IMMEDIATELY FOLLOWING THE SPECIAL CITY COUNCIL MEETING.**

**INDEX OF**  
**CITY OF SANTA FE**  
**GOVERNING BODY**  
**SPECIAL SESSION**

**January 5, 2009**

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5. APPROVAL OF AGENDA	<b>Approved</b>	1
6. SANTA FE RAILYARD COMMUNITY CORPORATION	<b>Failed</b>	1-2
a. REQUEST FOR APPROVAL OF AMENDMENT NO. 15 TO PROFESSIONAL SERVICES AGREEMENT – COMPLETION OF POLICIES AND PROCEDURES FOR THE RAILYARD, PLAZA AND ALAMEDA (BOB SIQUEIROS)		
1. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – RAILYARD DEVELOPMENT INFRASTRUCTURE FUND		
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**MINUTES OF  
SPECIAL MEETING OF  
THE GOVERNING BODY  
JANUARY 5, 2009**

**AFTERNOON SESSION – 5:15 P.M.**

**1. CALL TO ORDER**

A special meeting of the City of Santa Fe Governing Body was called to order by Mayor David Coss at approximately 5:15 p.m., on Monday, January 5, 2009, in the City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico. Following the pledge of allegiance and invocation, roll call indicated the presence of a quorum as follows:

**4. ROLL CALL**

**Members Present:**

Mayor David Coss  
Mayor Pro-Tem Rebecca Wurzbarger  
Councilor Patti J. Bushee  
Councilor Christopher Calvert  
Councilor Miguel Chavez  
Councilor Carmichael A. Dominguez  
Councilor Matthew E. Ortiz  
Councilor Rosemary Romero  
Councilor Ronald S. Trujillo

**Others Attending:**

Galen Buller, City Manager  
Yolanda C. Vigil, City Clerk  
David Millican, Finance Director  
Denise Cox, Stenographer

**5. APPROVAL OF AGENDA**

**Councilor Wurzbarger moved approval of the agenda, Councilor Calvert seconded the motion which passed by unanimous voice vote.**

- 6. SANTA FE RAILYARD COMMUNITY CORPORATION (Postponed at December 10, 2008 City Council Meeting)**
- a. REQUEST FOR APPROVAL OF AMENDMENT NO. 15 TO PROFESSIONAL SERVICES AGREEMENT – COMPLETION OF POLICIES AND PROCEDURES FOR THE RAILYARD, PLAZA AND ALAMEDA (BOB SIQUEIROS)**
    - 1. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – RAILYARD DEVELOPMENT INFRASTRUCTURE FUND**

Memorandum dated December 16, 2008 from Robert Siqueiros, Projects Administrator is incorporated herewith to these minutes as Exhibit "1."

Robert Siqueiros presented the staff report included in Exhibit "1."

**Councilor Wurzburger moved approval, Councilor Romero seconded the motion.**

**Vote: The motion failed on the following roll call vote.**

**For: Councilors Calvert, Romero, and Wurzburger.**

**Against: Councilors Bushee, Dominguez, Ortiz, Trujillo and Chavez.**

**7. DISCUSS AND APPROVE BUDGET CONTROL ACTIONS AND REVIEW FISCAL YEAR 2008/2009 BUDGET STATUS (DAVID MILLICAN)**

Memorandum from David Millican, Finance Director regarding budget reduction proposals for Fiscal 2008-2009 is incorporated herewith to these minutes as Exhibit "2."

Supplemental information on recommended budget reductions including Power Point presentation is incorporated herewith to these minutes as Exhibit "2(a)."

David Millican, Finance Director, presented a Power Point Presentation included in Exhibit "2(a)." He added that they are not proposing the cost shift or the administrative cost increase to fee supported services although they are canceling a contract for investment of debt service.

Councilor Bushee referred to the redirection of stormwater funding. She asked if this is allowed.

Mr. Millican said that was not recommended, it was proposed and they concluded that they needed to answer whether that this cost transfer is in compliance with laws and policy objectives of the Council.

Councilor Bushee recalled the recommendations were contingent upon the building permits coming through, so it is a moot point.

Mr. Millican agreed since the volume is down. The budget had twice as many employees in the detail which was picked up. He expects to see more of this.

Councilor Bushee said it seems to be a conservative approach. She asked if there is good news they do not know about.

Mr. Millican reported that the December check was 5.7% higher than last December's check. Within the next year they will have to deal with the hard questions. He said they are trying to avoid a reduction in services to the community so they want to address this in a broader process.

Councilor Bushee understood they cannot project gross receipts and the reporting is unsteady. She asked if December is some kind of indicator that the economy is steady.

Mr. Millican explained there was no strange change in any industry category. Retail, lodging and restaurants were down, although others such as construction were up. He agreed a review of historic GRT trends make it difficult to tell. He expects November will be worse and they are not sure how bad December will be.

Councilor Bushee asked what other economic indicators are used to make projections.

Mr. Millican stated that there is not a quantitative model, although they have relied on UNM forecasts for the state. This indicates the recession is hitting New Mexico late.

Councilor Chavez commented that the last two budget cycles depended on vacancy credits or a hiring freeze. He believes when there is less discretionary spending they will see more effect. He thought this was a conservative approach. He asked in the context of filling the gap they are dealing with now for an overview of what the balance is and what they are required to leave in the reserve fund.

Mr. Millican explained that they are required to maintain 1/12 of annual expenditures in the reserve fund according to State law. The City Council thought that was too low and established a policy with a 10% requirement. He said the total reserves are at \$18-19 million. He said they are proposing to release \$1 million of that.

Councilor Chavez asked for a percent of the total reserve.

Mr. Millican reported that it is 5-6% of the total reserves. He said the most useful purpose of a reserve is to provide the ability to flex.

Councilor Chavez understood there is a balance in the general reserves and CIP/GRT.

Mr. Millican referred to this as a fund balance rather than reserve as they have not established policies. There is about \$6 million in the CIP/GRT that has not been allocated.

Councilor Chavez understood there are more specific uses for that.

Mr. Millican said that fund can be used to build new facilities and assets, maintain assets or operate them.

Councilor Chavez referred to step 3 in the presentation included in Exhibit "2(a)." He asked if there are policies for reserve balances.

Mr. Millican said they will discuss under what conditions the city can use the reserves and how to rebuild them.

Councilor Chavez noted that Mr. Millican proposed delaying the purchase of books.

Mr. Millican stated that it was \$25,000, although future funding levels will be established through a more comprehensive process.

Councilor Chavez asked if that includes the CIP/GRT for the operation and maintenance of the library system. This seems a contradiction to reduce this department's budget by 10%.

Mr. Millican explained that they asked everyone to look at what a 10% reduction would take. There are planning scenarios for next year with a flat economy and 10% below this year. The Council indicated it did not want to reduce Public Safety in this process, but they asked everyone else for proposal. They have discovered the only way to reduce in the second round was to reduce personnel costs.

Councilor Romero thanked staff for looking at the efficiencies carefully.

**Councilor Romero proposed a resolution to accept the budget balancing adjustment for 2008-2009 including the next steps, Councilor Calvert seconded the motion.**

Councilor Ortiz asked for details of how and when they will work with the bargaining units to come up with this proposal.

Mr. Millican reported that they have met twice; December 19<sup>th</sup> week and two weeks before that.

Councilor Ortiz asked since the resolution passed how many meetings they have had with the representatives for collective bargaining.

Mr. Buller said one roughly around the 19<sup>th</sup> of December.

Councilor Ortiz asked where the proposed cuts were from the bargaining units.

Mr. Millican reported the Fire Union said it was working with its management to identify reductions and would come back after the beginning of the year. The AFSCME reduction related to the transit system and this has not had any additional input. The Police Department prepared a memo, but there was concern that there was not enough POA board review of the recommendations

Councilor Ortiz said the motion approves the management proposal only which is not a proposal consistent with the resolution passed at the December meeting.

Mr. Millican explained that they are continuing the conversations consistent with the resolution. There are 201 vacancies in the city and there is a hard freeze until the end of February. This is 15% of the workforce and only 60 of the positions are in the general fund because the others are in the enterprise fund.

Councilor Ortiz understood the bulk of the vacancy is already built into the budget, so this does not directly affect that portion of the resolution. He asked about the review of professional services contracts.

Mr. Millican said they are working on that. He said that will be ready for the Finance Committee on February 2<sup>nd</sup>.

**Councilor Ortiz made a friendly amendment that this specific analysis be completed and presented at the February meeting.**

**Councilors Romero and Calvert accepted the friendly amendment.**

Councilor Ortiz was convinced that this administration does not want to touch personnel costs, even though they know the personnel costs are 80% of the budget. He appreciated the hard work done on this over the holidays. He asked what happens in three months if they have the worst possible scenario and questioned if they can respond.

Mr. Millican said they will be watching tax receipts. The intent is for the Council to identify the mix and level of services the city must deliver and then he can compare this to the revenues to see where the shortage is. He is hoping to discuss this with the units on an ongoing basis. If they start to see double digit declines then the city will have to get more urgent and they will not have time to plan.

Councilor Ortiz questioned that this administration does not believe \$6 million is enough to re-open contracts.

Mr. Millican believed they have the funding to continue for this year at the current level of service. If the Council does not agree then they would have to specifically call out what the services are for and say what resources are not adequate to fund the contract.

Councilor Ortiz asked for the schedule to meet with the POA and AFSCME.

Mr. Millican said they hope to meet on a biweekly basis between now and the mid year review. He said they need to get the information together, look at the cost estimates, and then turn this into proposed action.

Councilor Dominguez thanked Mr. Millican for the work done over the holidays. He agreed there are conflicting requests about the recommendations AFSCME is coming up with. He asked if there was outreach to all employees to see if they had ideas about how to become more efficient.

Mr. Buller stated that it was requested by union leadership that staff work through the union leadership to get to membership for discussion. The material prepared was done by the department and division directors with input by supervisors and employees. He noted that they have not met with community groups or non-profit groups. The initial \$6 million savings found has not affected the stakeholder groups. He said the real work is how to put together the 2009-2010 budget. He said in the past they have not needed policy changes, so they want to spend the time over the next six months to get the policy changes from the Council.

Councilor Dominguez was hopeful that the union is on the same page. He is not sure that is the case. He understands they are not proposing reduced level of service in Community Services.

Mr. Millican said Community Services proposed Sunday and holiday closures at community centers and those were not recommended. There was one Summer Youth Program site that did not fill up until four weeks into the program, so that site was recommended for elimination.

Councilor Dominguez indicated that the Fire Department was able to collect ambulance fees. He hopes to have discussion or recommendations on how to generate more revenue. The Summer Youth Program is an example of where they could look beyond. He asked if there have been efforts by other departments to boost revenues.

Mr. Millican agreed that is an important project, but they have not looked at the revenues currently. He reported that Keith Toler was prepared to present a plan for the revenues that will be added to his fund as a result of consolidating the convention center debt with the operating fund for the convention center.

Councilor Wurzbarger supported moving this forward.

**Councilor Wurzbarger added a friendly amendment requiring a monthly report regarding progress management is making with the union with respect to developing a contingency plan.**

Councilor Romero asked if this is possible.

Mr. Millican explained that there are a number of simultaneous efforts and given the economy he thought that was appropriate.

Councilor Trujillo asked which meeting this would be presented at.

Mr. Millican replied Finance Committee.

Councilor Romero commented that the Council will be looking at major changes for future budgets. This is an opportunity to step up and discuss how they can create efficiencies. The Council is responsible for giving direction on the policies, but she would like input and involvement from the community. They are asking people to act differently. When they have focused meetings they will be asking everyone to step up to the plate.

Councilor Chavez added that they need to look at the lodger's tax as well as what Councilor Wurzbarger requested because they need to be ready in all areas.

Councilor Bushee asked what the \$2 million is.

Mr. Buller explained that there are other ways to come up with another \$2 million, but they did not need to do that. One way is from the funds supported by the general funds and then those that use finance and other department services, but do not pay for those.

Mr. Millican explained that more aggressively they can move projects eligible for CIP/GRT funds out of the general fund and into their own. He said if they decide to do this then they need plan to back away as they do not want their primary capital investment source committed to operations.

Councilor Bushee commented that just this fall they were trying to spend a surplus of \$3 million and now that is a deficit of \$6 million. She expressed concern with going along with business as usual and that is projected to the end of the fiscal year. She hopes to meet again and continue looking carefully at this.

Mayor Coss thanked staff for all the work they have done. He pointed out that this is a projected deficit. The community has worked hard to avoid the worst case scenarios. He said the last thing the economy needs is job cuts, so he hopes they do not have to lay off people involuntarily. He said if they are flat to down 10% next year then they will have to look at job cuts.

**The motion passed with a unanimous roll call vote.**

**For the motion: Councilors Calvert, Chavez, Dominguez, Ortiz, Romero, Trujillo, Wurzbarger and Bushee.**



## **8. ADJOURNMENT**

**There being no further business to come before the Governing Body, and upon completion of the agenda, this meeting was adjourned at approximately 6:30 p.m.**

**Approved by:**

\_\_\_\_\_  
**Mayor David Coss**

**Attest to:**

\_\_\_\_\_  
**Yolanda C. Vigil, City Clerk**

**Submitted by:**

  
\_\_\_\_\_  
**Denise Cox, Stenographer**