



Agenda

Finance Committee Meeting
March 16, 2009 – 5:15 pm
City Council Chambers

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

CITY CLERK'S OFFICE

DATE 3/12/09 TIME 3:15 pm

SERVED BY [Signature]

RECEIVED BY [Signature]

FEBRUARY 16, 2009
MARCH 2, 2009

MATTERS FROM THE COMMITTEE:

CONSENT AGENDA:

6. BID OPENINGS:
 - A. BID NO. 09/26/B – FRANKLIN MILES PARK RESTROOM PLUMBING AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; SUB SURFACE CONTRACTING, INC. (MARY MCDONALD)
7. REQUEST FOR APPROVAL OF EMERGENCY PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – SALVADOR PEREZ RECREATION COMPLEX ROOF REPLACEMENT AND DECK REPAIR; KOCH CONSTRUCTION CO., INC. (PETER GREENE)
8. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – PROJECT MANAGER FOR EL MUSEO CULTURAL; EL MUSEO CULTURAL DE SANTA FE, INC. (DAVID CHAPMAN)
9. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SUMMER MUSIC FESTIVAL ON THE PLAZA; OUTSIDE-IN (SABRINA PRATT)
10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – MEETING FACILITATION AND PROCESS MANAGEMENT FOR LONG RANGE PLANNING DIVISION; JENKINS GAVIN DESIGN AND DEVELOPMENT, INC. (REED LIMING) (Postponed at Finance Committee meeting of March 2, 2009)
11. REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – SENIOR SERVICES TO COUNTY RESIDENTS FOR SENIOR SERVICES DIVISION; COUNTY OF SANTA FE (TERRIE RODRIGUEZ)



Agenda

Finance Committee Meeting
March 16, 2009 – 5:15 pm
City Council Chambers
Page 2

12. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – ADVERTISING FOR CITY OF SANTA FE'S 400 ANNIVERSARY; SANTA FE 400TH ANNIVERSARY (KEITH TOLER)
13. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR REPAIR AND MAINTENANCE COSTS FOR CITYWIDE STREETLIGHTS; (CHRIS ORTEGA)
14. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR ELECTRIC COSTS FOR CITYWIDE TRAFFIC SIGNALS (CHRIS ORTEGA)
15. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR ELECTRIC COSTS FOR CITYWIDE STREETLIGHTS (CHRIS ORTEGA)
16. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – TWO (2) VEHICLES FOR WATER DIVISION; BOB TURNERS FORD COUNTRY (ROBERT RODARTE)
17. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – TWENTY-SIX (26) VEHICLES FOR POLICE DEPARTMENT; RELIABLE CHEVROLET (ROBERT RODARTE)
18. REQUEST FOR APPROVAL OF MODIFICATION NO. 1 TO USFS COLLECTION AGREEMENT – BUCKMAN DIRECT DIVERSION PROJECT; USDA FOREST SERVICE, SANTA FE NATIONAL FOREST (RICK CARPENTER)
19. REQUEST FOR APPROVAL OF SIXTH REVISED AND RESTATED SANTA FE METROPOLITAN PLANNING ORGANIZATION JOINT POWERS AGREEMENT – INCLUDE ADDITIONAL VOTING MEMBERS TO THE TRANSPORTATION POLICY BOARD; COUNTY OF SANTA FE, TESUQUE PUEBLO AND NEW MEXICO DEPARTMENT OF TRANSPORTATION (MARK TIBBETTS)
20. REQUEST FOR APPROVAL OF GRANT APPLICATION AND AWARD – FY 2009/2010 LAW ENFORCEMENT PROTECTION FUND FOR POLICE DEPARTMENT (POLICE CHIEF ERIC JOHNSON)
21. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY OF SANTA FE TO SUPPORT A LIVING SANTA FE RIVER BY ALLOWING WATER TO PASS THROUGH MCCLURE AND NICHOLS RESERVOIRS IN 2009 (MAYOR COSS, COUNCILORS BUSHEE, ROMERO, TRUJILLO AND CALVERT) (RACHEL FRIEDMAN)

Committee Review:

Public Utilities Committee (Approved)
Public Works Committee (Approved)
City Council (Scheduled)

March 4, 2009
March 9, 2009
March 25, 2009

Fiscal Impact – Yes



Agenda

Finance Committee Meeting
March 16, 2009 – 5:15 pm
City Council Chambers
Page 3

22. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987 IN ORDER TO CLARIFY SEWER RATES (COUNCILOR WURZBURGER) (COSTY KASSISIEH)

Committee Review:

Public Utilities Committee (Approved)
City Council (Request to Publish)
City Council (Public Hearing)

March 3, 2009
March 25, 2009
April 29, 2009

Fiscal Impact – Yes

23. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS"), AND THE CITY OF SANTA FE, NEW MEXICO (THE "BORROWER/GRANTEE"), IN THE AMOUNT OF TWO MILLION DOLLARS (2,000,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING PHASE III IMPROVEMENTS TO THE CANYON ROAD WATER TREATMENT PLAN TO CONTINUE UPGRADING AND IMPROVEMENT OF THE PLANT AND MANAGEMENT OF RESIDUAL STREAMS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF THE OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS THERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT (COUNCILOR WURZBURGER) (BRIAN SNYDER)

Committee Review:

Public Utilities Committee (Approved)
City Council (Request to Publish)
City Council (Public Hearing)

March 3, 2009
March 25, 2009
April 29, 2009

Fiscal Impact – Yes

END OF CONSENT AGENDA



Agenda

Finance Committee Meeting
March 16, 2009 – 5:15 pm
City Council Chambers
Page 4

DISCUSSION:

24. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-1.2 SFCC 1987 REDUCING COMPENSATION OF MAYOR AND CITY COUNCILORS FOR FISCAL YEAR 2009/2010 (COUNCILOR ORTIZ) (JEANNE PRICE)

Committee Review:

City Council (Request to Publish)
City Council (Public Hearing)

March 25, 2009
April 29, 2009

Fiscal Impact – Yes

25. OTHER FINANCIAL INFORMATION:
- A. UPDATE ON GROSS RECEIPTS TAX FOR THE MONTH OF MARCH 2009 AND LODGERS' TAX FOR THE MONTH OF FEBRUARY 2009 (DAVID MILLICAN)
 - B. UPDATE ON LOCAL GOVERNMENT INVESTMENT POOL (DAVID MILLICAN)
26. ADJOURN

Interpreter for hearing impaired is available through City Clerk's Office upon 5 days notice.

**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, March 16, 2009**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES: February 16, 2009	Approved	4
March 2, 2009	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SUMMER MUSIC FESTIVAL ON THE PLAZA; OUTSIDE-IN	Approved	4
REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – ADVERTISING FOR CITY OF SANTA FE'S 400 TH ANNIVERSARY; SANTA FE 400 TH ANNIVERSARY	Approved	5
REQUEST FOR APPROVAL OF BUDGET INCREASE FOR REPAIR AND MAINTENANCE COSTS FOR CITYWIDE STREETLIGHTS	Postponed to 04/20/09	5
REQUEST FOR APPROVAL OF BUDGET INCREASE FOR ELECTRIC COSTS FOR CITYWIDE STREETLIGHTS	Postponed to 04/20/09	5

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY OF SANTA FE TO SUPPORT A LIVING SANTA FE RIVER BY ALLOWING WATER TO PASS THROUGH MCCLURE AND NICHOLS RESERVOIRS IN 2009	Approved	6
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-1.2 SFCC 1987, REDUCING COMPENSATION OF MAYOR AND CITY COUNCILORS FOR FISCAL YEAR 2009/2010	Withdrawn by Sponsor	6-7
<u>OTHER FINANCIAL INFORMATION:</u>		
UPDATE ON GROSS RECEIPTS TAX FOR THE MONTH OF MARCH 2009 AND LODGERS' TAX FOR THE MONTH OF FEBRUARY 2009	Information/discussion	7
UPDATE ON LOCAL GOVERNMENT INVESTMENT POOL	Information/discussion	7-9
ADJOURNMENT		9

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, March 16, 2009**

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Matthew E. Ortiz, at approximately 5:15 p.m., on Monday, March 16, 2009, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Matthew E. Ortiz, Chair
Councilor Carmichael A. Dominguez
Councilor Rebecca Wurzburger

MEMBERS EXCUSED:

Councilor Christopher Calvert
Councilor Miguel Chavez

OTHERS ATTENDING:

David Millican, Finance Director
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

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

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

3. APPROVAL OF AGENDA

Mr. Millican said the only change would be a report on the GRT we received today.

MOTION: Councilor Wurzburger moved, seconded by Councilor Dominguez, to approve the agenda as submitted.

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

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Wurzburger moved, seconded by Councilor Dominguez, to approve the following Consent Agenda as amended.

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

CONSENT AGENDA

6. BID OPENINGS:

- A. BID NO. 09/26/B – FRANKLIN MILES PARK RESTROOM PLUMBING AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; SUB SURFACE CONTRACTING, INC. (MARY MacDONALD)**
- 7. REQUEST FOR APPROVAL OF EMERGENCY PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – SALVADOR PEREZ RECREATION COMPLEX ROOF REPLACEMENT AND DECK REPAIR; KOCH CONSTRUCTION CO., INC. (PETER GREENE)**
- 8. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – PROJECT MANAGER FOR EL MUSEO CULTURAL; EL MUSEO CULTURAL DE SANTA FE, INC. (DAVID CHAPMAN)**
- 9. *[Removed for discussion by Councilor Dominguez]***
- 10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – MEETING FACILITATION AND PROCESS MANAGEMENT FOR LONG RANGE PLANNING DIVISION; JENKINS GAVIN DESIGN AND DEVELOPMENT, INC. (REED LIMING) (Postponed at Finance Committee meeting of March 2, 2009)**
- 11. REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – SENIOR SERVICES TO COUNTY RESIDENTS FOR SENIOR SERVICES DIVISION; COUNTY OF SANTA FE. (TERRIE RODRIGUEZ)**
- 12. *[Removed for discussion by Chair Ortiz]***
- 13. *[Removed for discussion by Councilor Wurzburger]***
- 14. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR ELECTRIC COSTS FOR CITYWIDE TRAFFIC SIGNALS. (CHRIS ORTEGA)**

15. *[Removed for discussion by Councilor Wurzburger]*
16. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – TWO (2) VEHICLES FOR WATER DIVISION; BOB TURNERS FORD COUNTRY. (ROBERT RODARTE)
17. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – TWENTY-SIX (26) VEHICLES FOR POLICE DEPARTMENT; RELIABLE CHEVROLET. (ROBERT RODARTE)
18. REQUEST FOR APPROVAL OF MODIFICATION NO. 1 TO USFS COLLECTION AGREEMENT – BUCKMAN DIRECT DIVERSION PROJECT; USDA FOREST SERVICE, SANTA NATIONAL FOREST. (RICK CARPENTER)
19. REQUEST FOR APPROVAL OF SIXTH REVISED AND RESTATED SANTA FE METROPOLITAN PLANNING ORGANIZATION JOINT POWERS AGREEMENT – INCLUDE ADDITIONAL VOTING MEMBERS TO THE TRANSPORTATION POLICY BOARD; COUNTY OF SANTA FE, TESUQUE PUEBLO AND NEW MEXICO DEPARTMENT OF TRANSPORTATION. (MARK TIBBETTS)
20. REQUEST FOR APPROVAL OF GRANT APPLICATION AND AWARD – FY 2009/2010 LAW ENFORCEMENT PROTECTION FUND FOR POLICE DEPARTMENT. (POLICE CHIEF ERIC JOHNSON)
21. *[Removed for discussion by Councilor Wurzburger]*
22. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987, IN ORDER TO CLARIFY SEWER RATES (COUNCILOR WURZBURGER). (COSTY KASSISIEH) Committee Review: Public Utilities Committee (Approved) March 3, 2009; City Council (Request to Publish) March 25, 2009; City Council (Public Hearing) April 29, 2009. Fiscal Impact – Yes.
23. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE “LENDERS/GRANTORS”), AND THE CITY OF SANTA FE, NEW MEXICO (THE “BORROWER/GRANTEE”), IN THE AMOUNT OF TWO MILLION DOLLARS (2,000,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING PHASE III IMPROVEMENTS TO THE CANYON ROAD WATER TREATMENT PLANT TO CONTINUE UPGRADING AND IMPROVEMENT OF THE PLANT AND MANAGEMENT OF RESIDUAL STREAMS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE

PROJECT; APPROVING THE FORM OF THE OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS THERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT (COUNCILOR WURZBURGER). (BRIAN SNYDER). Committee Review: Public Utilities Committee (Approved) March 3, 2009; City Council (Request to Publish) March 25, 2009; City Council (Public Hearing) April 29, 2009. Fiscal Impact – Yes.

END OF CONSENT AGENDA

5. **APPROVAL OF MINUTES:**
February 16, 2009
March 2, 2009

MOTION: Councilor Wurzburger moved, seconded by Councilor Dominguez, to approve the minutes for the meetings of February 16, 2009, and March 2, 2009, as amended.

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

CONSENT CALENDAR DISCUSSION

9. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SUMMER MUSIC FESTIVAL ON THE PLAZA; OUTSIDE-IN (SABRINA PRATT)**

Councilor Dominguez said last year about three people asked him about submitting bids for these series of events. He asked what we are doing to make sure the word gets out that they can submit a bid, other than the current RFP process.

Terrie Rodriguez said Outside-In has been handling this for quite some time, and that there is a bidding process, but she doesn't have the information to answer this question at this moment. She will get this information from Sabrina and get it to Councilor Dominguez.

Councilor Dominguez wants to be sure that these people don't miss the opportunity bid again this year, and that no one else will miss this opportunity.

MOTION: Councilor Calvert moved, seconded by Councilor Wurzburger, to approve this request.

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

12. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – ADVERTISING FOR CITY OF SANTA FE'S 400TH ANNIVERSARY; SANTA FE 400TH ANNIVERSARY. (KEITH TOLER)

Chair Ortiz asked what we get for \$350,000.

Mr. Toler said he is working on the media plan right now.

Chair Ortiz said we were told previously when we approved the budget line item, that we would be receiving a marketing plan and a list of the proposed expenditures.

Mr. Toler said that was submitted to the Finance Committee on January 5, 2009. He said the information has been in the packet two times previously, which is the Memorandum and the power presentation he was going to make, but didn't. He said he submitted a Memorandum which has a detail of how all the money is being spent.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve this request with the condition that when it goes to Council it is accompanied with a detailed explanation of how and where the \$350,000 is being spent, and that information be in the Council packet in advance.

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

13. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR REPAIR AND MAINTENANCE COSTS FOR CITYWIDE STREETLIGHTS. (CHRIS ORTEGA)

Items #13 and #15 were combined for purposes of discussion and action to postpone to the next meeting.

Councilor Wurzbarger said she made an inquiry about the possibility of turning off some lights, and she wants this to be part of the cost cutting measure if it won't impact safety. She wants an answer in more detail for the entire Committee. She said the source of funds for this is unclear. She wants staff to look seriously at reducing the number of street lights, noting other cities have done this. She wants to work with staff to have some sort of solution.

Chair Ortiz would rather postpone this to the first meeting in April, because the last meeting in March is going to be "budget heavy." He asked if this is a time sensitive issue.

Mr. Romero said all of the money is going to PNM, and they'll just have to wait until we pay them.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to postpone Items #13 and #15 to the first meeting in April, and to request the opportunity to help staff address her concerns.

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

15. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR ELECTRIC COSTS FOR CITYWIDE STREETLIGHTS. (CHRIS ORTEGA)

See Item #13 above.

21. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY OF SANTA FE TO SUPPORT A LIVING SANTA FE RIVER BY ALLOWING WATER TO PASS THROUGH MCCLURE AND NICHOLS RESERVOIRS IN 2009 (MAYOR COSS, COUNCILORS BUSHEE, ROMERO, TRUJILLO AND CALVERT). (RACHEL FRIEDMAN) Committee Review: Public Utilities Committee (Approved) March 4, 2009; Public Works Committee (Approved) March 9, 2009; and City Council (Scheduled) March 25, 2009. Fiscal Impact – Yes.

Councilor Wurzbarger said she is concerned that none of the exhibits are in the packet, and this is not what we saw at the Public Utilities Committee. She asked Mr. Romero if he can explain how this differs from what Public Utilities deliberated in the past, otherwise, she will ask to postpone this to the first meeting in April and send it back to Public Utilities.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to postpone this item to the next meeting, and to send it back to Public Utilities.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

24. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-1.2 SFCC 1987, REDUCING COMPENSATION OF MAYOR AND CITY COUNCILORS FOR FISCAL YEAR 2009/2010 (COUNCILOR ORTIZ). (JEANNE PRICE) Committee Review: City Council (Request to Publish) March 25, 2009; City Council (Public Hearing) April 29, 2009. Fiscal Impact – Yes.

Chair Ortiz said there is a legal opinion from Frank Katz in the packet, which says that basically we can't do this legally, or if it is done, it will only apply to half of us and not all of us.

Mr. Katz said the Councilors can still do this, but it would have to be voluntary.

Mr. Millican said if you didn't take the compensation, you would still have to be taxed on the amount, and it would be subject to contribution limits on your tax return, depending on your tax situation. He said you can make contributions to local governments and those are tax deductible, subject to the limits in the Tax Code.

Chair Ortiz said given the legal opinion we received, he has no choice but to withdraw the Ordinance. He said we have received a draft of the budget for the City Council which was sent to us by Celeste. He said if each of us cuts our discretionary account, about \$3,500 each, we can achieve the same kinds savings.

WITHDRAWAL OF ORDINANCE BY THE SPONSOR: Councilor Ortiz withdrew his proposed Ordinance.

25. OTHER FINANCIAL INFORMATION:

A. UPDATE ON GROSS RECEIPTS TAX FOR THE MONTH OF MARCH 2009 AND LODGERS' TAX FOR THE MONTH OF FEBRUARY 2009. (DAVID MILLICAN)

David Millican said there was a 5.71% drop in GRTs which is better than he expected, but the swing still is fairly significant. He will keep his eye on this.

B. UPDATE ON LOCAL GOVERNMENT INVESTMENT POOL. (DAVID MILLICAN)

Mr. Millican said he was unhappy to hear that the Local Government Investment Pool will be setting aside \$4 million, for the money it hasn't recovered from the primary reserve money market fund in which it was invested at September 15, 2009. He said that fund suffered losses because it was extremely, heavily exposed to commercial paper from Lehman Brothers, and when it went down, it crashed into the Local Government Investment Pool, noting our share of that exposure is about \$1.4 million. If we receive all the money which the reserve fund has set aside to repay the participants, then the loss would be only \$800,000, plus a share of legal expenses. This loss will impact all City funds, and will be distributed based on the relative share of City funds in the pooled investment at that time.

Responding to the Chair, Mr. Millican said the best case would be a loss of \$800,000 and the worst case if we were fully exposed, we would lose \$1.4 million. Mr. Millican said the State Pool, a AAA rated fund, invested in Primary Reserve, one of the largest institutional money markets which was a AAA fund, but it was invested in Lehman. He said Lehman went down and they've been trying to resolve all of the issues since September 15, 2009.

Mr. Millican said a side note is that the yield on the Local Government Investment Pool has dropped to .49%, and we're preparing to reposition money to higher yielding investments and securities.

Chair Ortiz asked, in terms of our involvement as an investor in the State Fund, are we in contact with the State Treasurer's Office.

Mr. Millican said this Memorandum resulted from a conversation he had with the State Treasurer last week.

Chair Ortiz asked if this loss will result in further cuts, or if we won't see that until sometime after we have approved the budget.

Mr. Millican said we are going to have to set aside the \$1.4 in our financial statements as though it is lost. He said we recommended reserve policies constituting \$15 million of the \$19 million balance. Responding to the Chair, Mr. Millican said some of those reserves can be used to help absorb this loss, noting there also are unreserved funds which could absorb this as well. He believes the minimum loss will be more than \$800,000 because of the allocation of legal expenses.

Councilor Wurzbarger said she recalls when we made the decision regarding the cuts, we did cut more than we thought we would need, and that was about \$1.5 and said perhaps that covers it. She said this shows the prudence of our decision.

Mr. Millican said there is a lot of uncertainty right now, and that action helps to buffer that.

Responding to Councilor Dominguez, Mr. Millican said the fund went from AAA to D which is the lowest rating granted, after that it is unrated. He said each of the steps down has many substeps. So, when LGIP was downgraded to D, they immediately acted to segregate this money so they could maintain their AAA rating which is discussed in Standard & Poors Memorandum attached to the report. He said this is a very dramatic drop for Primary Reserve. He said to do that, they had to create a mutual fund in which everyone participating on September 15, 2009 has to participate. He said this is a "fund of bad assets," so the other "fund of good assets" could continue to retain its AAA rating.

March 30, 2001 Meeting

Chair Ortiz said the Committee meeting on March 30th will be about the budget process, where we are, budget cuts, and the proposed Schedule the administrative wants to have on the budget cuts.

Chair Ortiz said we will be getting some final version or a list of all contracts for review by the Committee.

Mr. Millican said the departments are working on these as a part of the budget project. He said, "Those contracts, we talked about 2,200 contracts that are distributed to departments. They are working on those as part of their budget process, because as we indicated, we thought some of the contracts which are the most likely 'suspects' for reductions are going to be contracts which the departments will use themselves in order to meet their budget reduction targets. But, we'll be able to give you an update on how much of that has happened and give you a list... you'll also get a list of all the currently active contracts, broken down by department which is what you didn't have when you got the previous report."

Councilor Wurzbarger wants to be sure this includes the three-year contracts which are in year two.

Mr. Millican said all active contracts will be included.

Responding to the Chair, Mr. Millican said in discussions with senior staff, they thought this would be a report to the Finance Committee, and if other members of the Council are attending, we would be listening to input from everyone. He thinks this might work well.

Responding to Councilor Dominguez, Mr. Millican said staff feels mid-course input will be very helpful in putting together a final plan. They will use that information to craft a proposed budget. He said as Chair Ortiz mentioned, we will schedule a series of meetings, starting with funds which are less likely to be affected by the GRT decline, and we will look at that proposal. He said staff will provide a draft schedule based on the concepts.

Councilor Dominguez would like to get as much information as possible in advance of the meeting, and does not want to be given any "surprises" right before the meeting.

Chair Ortiz asked Mr. Millican, to the extent possible, to have all requested and pertinent information in the packet which is sent out in advance of the meeting.

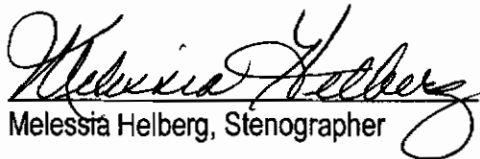
26. ADJOURNMENT

There being no further business to come before the Committee, and the Committee having completed its Agenda, the meeting was adjourned at approximately 5:45 pm.

Matthew E. Ortiz, Chair

Reviewed by:

David N. Millican, Director
Department of Finance



Melessia Helberg, Stenographer