



Agenda

Finance Committee Meeting
City Council Chambers
October 19, 2009 – 5:15 pm

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 10-16-09 TIME 2:00

SERVED BY Uplanda Green

RECEIVED BY [Signature]

OCTOBER 5, 2009

INFORMATIONAL ITEM

6. UPDATE ON CITY BUDGET PROCESS (DAVID MILLICAN)
 - A. PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010
 - B. STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011 INCLUDING FURLOUGH PLAN
 - C. UPDATE ON RESTRUCTURING COMMITTEE REPORT
7. UPDATE ON BUCKMAN DIRECT DIVERSION PROJECT OPERATIONS AND MAINTENANCE BUDGET CREATION FOR FY 2010/2011 (RICK CARPENTER)
(Postponed at Finance Committee meeting of October 5, 2009)
8. UPDATE ON HOUSING CONTRACTS WITH SANTA FE COMMUNITY HOUSING TRUST AND HOMEWISE (KATHY MCCORMICK)
9. REPORT ON STATUS OF CONTRACTS WITH LAS CAMPANAS (FRANK KATZ)

CONSENT AGENDA

10. BID OPENINGS:
 - A. BID NO. 10/10/B – CITY HALL VENTILATION SYSTEM AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; CAC, INC. (CHIP LILIENTHAL)
11. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – POLICE DEPARTMENT RENOVATIONS; CREATIVE INTERIORS, INC. (CHIP LILIENTHAL)



Agenda

12. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 3 – VARIOUS ADDITIONAL ITEMS NOT LISTED IN ORIGINAL CONTRACT FOR SILER ROAD EXTENSION PROJECT; A.S. HORNER, INC. (DESIRAE LUJAN)
13. REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO 2007 GENERAL FUND GRANT AGREEMENT – CORRECTS LANGUAGE IN AMENDMENT NO. 3 WHICH INCORRECTLY STATED THAT PROJECTS THAT WERE REMOVED WERE NEVER PART TO THE ORIGINAL AGREEMENT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION (DAVID CHAPMAN)
14. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO 2005 GENERAL FUND GRANT AGREEMENT – DECLARES THAT PROJECT 05-1588 FOR \$50,000 TO PLAN, DESIGN, CONSTRUCT AND RENOVATE STUDIO AND OFFICE SPACE AT THE MUSEO CULTURAL FOR USE BY THE MARIA BENITEZ INSTITUTE FOR SPANISH ARTS BE REAUTHORIZED TO PROJECT 06-2529 WHICH IS FOR THE BATAAN MEMORIAL COMPLEX TO ACCOMMODATE MARIA BENITEZ INSTITUTE FOR SPANISH ARTS IN SANTA FE (DAVID CHAPMAN)
15. REQUEST FOR APPROVAL OF AMENDMENT NO. 8 TO RAILYARD LEASE AND MANAGEMENT AGREEMENT – REMOVE PORTION OF INFRASTRUCTURE CONSTRUCTED BY THE SANTA FE RAILYARD COMMUNITY CORPORATION ON BEHALF OF THE CITY INCLUDING ROADS, SIDEWALKS, STREET LIGHTS AND OTHER UTILITIES; SANTA FE RAILYARD COMMUNITY CORPORATION (BOB SIQUEIROS)
16. REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO CONTRACT – REPLACE PUMPS AND VARIABLE FREQUENCY DRIVE AT THE MRC PUMP STATION LOCATED AT WASTEWATER TREATMENT FACILITY; ALPHA SOUTHWEST, INC. (KATHLEEN GARCIA)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND
17. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – MATERIALS TO INSTALL PAINT STRIPING, CROSSWALKS AND ARROWS FOR TRAFFIC OPERATIONS SECTION; 3M COMPANY AND J & H SUPPLY, INC. (RANDY BLAKE)
18. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT FOR SALE AND PURCHASE OF NATURAL GAS FOR LONG RANGE PLANNING DIVISION; STATE OF NEW MEXICO AND BP ENERGY COMPANY (NICK SCHIAVO)
19. REQUEST FOR APPROVAL OF BUDGET INCREASE TO SUPPORT ARTS COMMISSION SENIOR PLANNER POSITION (SABRINA PRATT)



Agenda

20. REQUEST FOR APPROVAL OF A RESOLUTION RECOGNIZING THE URGENCY OF STABILIZING THE CLIMATE AS WELL AS THE ROLE THAT SANTA FE COUNTY CAN PLAY IN SUCH AN ENDEAVOR, AND IN SUPPORT OF U.S. MAYORS CLIMATE PROTECTION AGREEMENT (COUNCILOR CALVERT) (NICK SCHIAVO)

Committee Schedule

Public Works Committee (Scheduled)

October 26, 2009

City Council (Scheduled)

October 28, 2009

Fiscal Impact – No

21. REQUEST FOR APPROVAL OF A RESOLUTION URGING THE STATE LEGISLATURE TO ENACT A LOCAL HISPANO ARTS AND CRAFTS SALES ACT (COUNCILOR CHAVEZ) (JEANNE PRICE)

Committee Schedule

City Council (Scheduled)

October 28, 2009

Fiscal Impact – No

22. SUBSTITUTE RESOLUTION: REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION NO. 2003-104; AND ADOPTING A REVISED CITY OF SANTA FE PER DIEM AND MILEAGE POLICY THAT REFLECTS THE 2009 STATE LEGISLATIVE AMENDMENTS TO THE PER DIEM AND MILEAGE ACT, §§10-8-1 THROUGH 10-8-8, NMSA 1978 (COUNCILOR WURZBURGER) (TERESITA GARCIA)

Committee Schedule

Finance Committee (Approved)

September 21, 2009

City Council (Postponed)

September 30, 2009

City Council (Scheduled)

October 28, 2009

Fiscal Impact –No

23. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO PREPARE A REPORT FOR THE GOVERNING BODY REGARDING A PROPOSED PROGRAM TO EDUCATE THE PUBLIC REGARDING THE PROPER DISPOSAL OF PHARMACEUTICALS AND THE FEASIBILITY OF ESTABLISHING CITY SPONSORED DISPOSAL OPTIONS FOR THE PUBLIC (COUNCILORS BUSHEE, CHAVEZ, ROMERO AND TRUJILLO) (ROBERT GALLEGOS)



Agenda

Committee Schedule

Public Utilities Committee (Approved)	October 7, 2009
Public Works Committee (Approved)	October 13, 2009
Solid Waste Management Board (Scheduled)	October 15, 2009
City Council (Scheduled)	October 28, 2009

Fiscal Impact – No

24. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER NEGOTIATIONS WITH THE SANTA FE RAILYARD COMMUNITY CORPORATION; RAILYARD COMPANY, LLC, SANTA FE SOUTHERN RAILWAY, INC., THE STATE OF NEW MEXICO AND ANY OTHER NECESSARY PARTIES TO DEVELOP A PLAN THAT WOULD PROVIDE FOR THE COMPLETION OF THE UNFINISHED PUBLIC AND PRIVATE SPACES AT THE SANTA FE RAILYARD IN ACCORDANCE WITH THE RAILYARD MASTER PLAN (COUNCILOR ORTIZ, MAYOR COSS AND COUNCILOR WURZBURGER) (ROBERT ROMERO)

Committee Schedule

Public Works Committee (Approved)	October 13, 2009
City Council (Scheduled)	October 28, 2009

Fiscal Impact – Yes

25. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING A NEW SECTION 25-1.2 SFCC 1987 REQUIRING ALL CITY WATER SERVICE CUSTOMERS TO COMPLY WITH CHAPTER 25 SFCC 1987 (WATER) AND CREATING A NEW SECTION 25-1.3 SFCC 1987 REQUIRING APPLICANTS FOR CITY WATER SERVICE TO COMPLY WITH CHAPTER 14 SFCC 1987 (LAND DEVELOPMENT LAWS) (COUNCILOR ORTIZ) (JEANNE PRICE)

Committee Schedule

City Council (Request to Publish)	October 28, 2009
Public Utilities (Scheduled)	November 4, 2009
Planning Commission (Scheduled)	November 5, 2009
Public Works Committee (Scheduled)	November 16, 2009
City Council (Public Hearing)	December 9, 2009

Fiscal Impact – No

26. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO DO A BUDGET ADJUSTMENT IN THE AMOUNT OF \$750,000 FROM THE CITY'S RESERVE FUND TO THE CITY'S GENERAL FUND FOR THE PURPOSE OF COMPENSATING THE SANTA FE 400TH ANNIVERSARY, INC. FOR VARIOUS EVENTS AND PROGRAMS (COUNCILORS ROMERO, TRUJILLO AND MAYOR COSS) (DARLENE GRIEGO)



Agenda

Committee Schedule

Public Works Committee (Scheduled)	October 26, 2009
Parks and Open Space Committee (Scheduled)	October 28, 2009
City Council (Scheduled)	October 28, 2009

Fiscal Impact – Yes

27. REQUEST FOR APPROVAL OF A RESOLUTION TO ACCEPT THE DONATION OF REAL PROPERTY (10 ACRES ±) ON THE WESTERN FLANK OF SUN MOUNTAIN ALONG OLD SANTA FE TRAIL SUBJECT TO DEED OF CONSERVATION EASEMENT (COUNCILORS WURZBURGER AND ROMERO) (ROBERT ROMERO)

Committee Schedule

Public Works Committee (Scheduled)	October 26, 2009
City Council (Scheduled)	October 28, 2009

Fiscal Impact – No

END OF CONSENT AGENDA

DISCUSSION

28. REQUEST FOR APPROVAL OF 2010 FINANCE COMMITTEE MEETING SCHEDULE (DAVID MILLICAN)
29. REQUEST FOR APPROVAL OF CONSIDERATION TO RE-ESTABLISH POSITIONS IN FY 2009/2010 BUDGET (KRISTINE KUEBLI)
30. OTHER FINANCIAL INFORMATION:
- A. UPDATE ON GROSS RECEIPTS TAX REPORT FOR OCTOBER 2009 AND LODGERS' TAX REPORT FOR SEPTEMBER (DAVID MILLICAN)
31. MATTERS FROM THE COMMITTEE
32. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520 five (5) working days prior to meeting date.

**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, October 19, 2009**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES: OCTOBER 5, 2009	Approved	4
<u>INFORMATIONAL ITEMS</u>		
UPDATE ON CITY BUDGET PROCESS PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010	Information/discussion/direction	4-13
STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011 INCLUDING FURLOUGH PLAN	Information/discussion/direction	4-13
UPDATE ON RESTRUCTURING COMMITTEE REPORT	Information/discussion/direction	4-13
UPDATE ON BUCKMAN DIRECT DIVERSION PROJECT OPERATIONS AND MAINTENANCE BUDGET CREATION FOR FY 2010/2011	Postponed to 11/02/2009	13
UPDATE ON HOUSING CONTRACTS WITH SANTA FE COMMUNITY HOUSING TRUST AND HOMEWISE	Information/discussion/direction	13-16
REPORT ON STATUS OF CONTRACTS WITH LAS CAMPANAS	Information/discussion/direction	16-18
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO CONTRACT – REPLACE PUMPS AND VARIABLE FREQUENCY DRIVE AT THE MRC PUMP STATION LOCATED AT WASTEWATER TREATMENT FACILITY; ALPHA SOUTHWEST, INC.		
REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND	Approved	18-19

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION RECOGNIZING THE URGENCY OF STABILIZING THE CLIMATE AS WELL AS THE ROLE THAT SANTA FE COUNTY THE CITY OF SANTA FE CAN PLAY IN SUCH AN ENDEAVOR, AND IN SUPPORT OF U.S. MAYORS CLIMATE PROTECTION AGREEMENT	Approved [amended]	19
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER NEGOTIATIONS WITH THE SANTA FE RAILYARD COMMUNITY CORPORATION; RAILYARD COMPANY, LLC, SANTA FE SOUTHERN RAILWAY, INC., THE STATE OF NEW MEXICO AND ANY OTHER NECESSARY PARTIES TO DEVELOP A PLAN THAT WOULD PROVIDE FOR THE COMPLETION OF THE UNFINISHED PUBLIC AND PRIVATE SPACES AT THE SANTA FE RAILYARD IN ACCORDANCE WITH THE RAILYARD MASTER PLAN	Approved	19-21
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO DO A BUDGET ADJUSTMENT IN THE AMOUNT OF \$750,000 FROM THE CITY'S RESERVE FUND TO THE CITY'S GENERAL FUND FOR THE PURPOSE OF COMPENSATING THE SANTA FE 400 TH ANNIVERSARY, INC., FOR VARIOUS EVENTS AND PROGRAMS *****	Approved [amended/conditions]	21-23
END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF 2010 FINANCE COMMITTEE MEETING SCHEDULE	Approved	24
REQUEST FOR APPROVAL OF CONSIDERATION TO RE-ESTABLISH POSITIONS IN FY 2009/2010 BUDGET	Approved	24
OTHER FINANCIAL INFORMATION: UPDATE ON GROSS RECEIPTS TAX REPORT FOR OCTOBER 2009 AND LODGERS' TAX REPORT FOR SEPTEMBER	Information/discussion	24

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
MATTERS FROM THE COMMITTEE	None	24
ADJOURNMENT		25

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, October 19, 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, October 19, 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 Christopher Calvert
Councilor Miguel Chavez
Councilor Rebecca Wurzbarger

MEMBERS EXCUSED:

Councilor Carmichael A. Dominguez

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

Chair Ortiz said staff has requested to pull Item #7 from the Agenda.

Mr. Millican said on Item #27 the FIR impact should be "yes."

MOTION: Councilor Calvert moved, seconded by Councilor Chavez, to approve the agenda, as amended.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

- 10. BID OPENINGS:**
 - A. BID NO. 10/10/B – CITY HALL VENTILATION SYSTEM AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; CAC, INC. (CHIP LILIENTHAL)**
- 11. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – POLICE DEPARTMENT RENOVATIONS; CREATIVE INTERIORS, INC. (CHIP LILIENTHAL)**
- 12. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 3 – VARIOUS ADDITIONAL ITEMS NOT LISTED IN ORIGINAL CONTRACT FOR SILER ROAD EXTENSION PROJECT; A.S. HORNER, INC. (DESIRAE LUJAN)**
- 13. REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO 2007 GENERAL FUND GRANT AGREEMENT – CORRECTS LANGUAGE IN AMENDMENT NO. 3 WHICH INCORRECTLY STATED THAT PROJECTS THAT WERE REMOVED WERE NEVER PART TO THE ORIGINAL AGREEMENT; STATE OF NEW MEXICO, DEPARTMENT OF FINANCE AND ADMINISTRATION. (DAVID CHAPMAN)**
- 14. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO 2005 GENERAL FUND GRANT AGREEMENT – DECLARES THAT PROJECT 05-1588 FOR \$50,000 TO PLAN, DESIGN, CONSTRUCT AND RENOVATE STUDIO AND OFFICE SPACE AT THE MUSEO CULTURAL FOR USE BY THE MARIA BENITEZ INSTITUTE FOR SPANISH ARTS BE REAUTHORIZED TO PROJECT 06-2529 WHICH IS FOR THE BATAAN MEMORIAL COMPLEX TO ACCOMMODATE MARIA BENITEZ INSTITUTE FOR SPANISH ARTS IN SANTA FE. (DAVID CHAPMAN)**
- 15. REQUEST FOR APPROVAL OF AMENDMENT NO. 8 TO RAILYARD LEASE AND MANAGEMENT AGREEMENT – REMOVE PORTION OF INFRASTRUCTURE CONSTRUCTED BY THE SANTA FE RAILYARD COMMUNITY CORPORATION ON BEHALF OF THE CITY INCLUDING ROADS, SIDEWALKS, STREET LIGHTS AND OTHER UTILITIES; SANTA FE RAILYARD COMMUNITY CORPORATION. (BOB SIQUEIROS)**

16. *[Removed for discussion by Councilor Calvert]*
17. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – MATERIALS TO INSTALL PAINT STRIPING, CROSSWALKS AND ARROWS FOR TRAFFIC OPERATIONS SECTION; 3M COMPANY AND J & H SUPPLY, INC. (RANDY BLAKE)
18. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT FOR SALE AND PURCHASE OF NATURAL GAS FOR LONG RANGE PLANNING DIVISION; STATE OF NEW MEXICO AND BP ENERGY COMPANY. (NICK SCHIAVO)
19. REQUEST FOR APPROVAL OF BUDGET INCREASE TO SUPPORT ARTS COMMISSION SENIOR PLANNER POSITION. (SABRINA PRATT)
20. *[Removed for discussion by Councilor Calvert]*
21. REQUEST FOR APPROVAL OF A RESOLUTION URGING THE STATE LEGISLATURE TO ENACT A LOCAL HISPANO ARTS AND CRAFTS SALES ACT (COUNCILOR CHAVEZ). (JEANNE PRICE) Committee Schedule: City Council (Scheduled) October 28, 2009. Fiscal Impact – No.
22. SUBSTITUTE RESOLUTION: REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION NO. 2003-104; AND ADOPTING A REVISED CITY OF SANTA FE PER DIEM AND MILEAGE POLICY THAT REFLECTS THE 2009 STATE LEGISLATIVE AMENDMENTS TO THE PER DIEM AND MILEAGE ACT, §§10-8-1 THROUGH 10-8-8, NMSA 1978 (COUNCILOR WURZBURGER). (TERESITA GARCIA) Committee Schedule: Finance Committee (Approved) September 21, 2009; City Council (Postponed) September 30, 2009; and City Council (Scheduled) October 28, 2009. Fiscal Impact – No.
23. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO PREPARE A REPORT FOR THE GOVERNING BODY REGARDING A PROPOSED PROGRAM TO EDUCATE THE PUBLIC REGARDING THE PROPER DISPOSAL OF PHARMACEUTICALS AND THE FEASIBILITY OF ESTABLISHING CITY SPONSORED DISPOSAL OPTIONS FOR THE PUBLIC (COUNCILORS BUSHEE, CHAVEZ, ROMERO AND TRUJILLO). (ROBERT GALLEGOS). Committee Schedule: Public Utilities Committee (Approved) October 7, 2009; Public Works Committee (Approved) October 13, 2009; Solid Waste Management Board (Scheduled) October 15, 2009; and City Council (Scheduled). Fiscal Impact – No.
24. *[Removed for discussion by Councilor Chavez]*

25. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING A NEW SECTION 14-1.2 SFCC 1987, REQUIRING ALL CITY WATER SERVICE CUSTOMERS TO COMPLY WITH CHAPTER 25 SFCC 1987 (WATER), AND CREATING A NEW SECTION 25-1.3 SFCC 1987, REQUIRING APPLICANTS FOR CITY WATER SERVICE TO COMPLY WITH CHAPTER 14 SFCC 1987 (LAND DEVELOPMENT LAWS) (COUNCILOR ORTIZ). (JEANNE PRICE). Committee Schedule: City Council (Request to Publish) October 28, 2009; Public Utilities (Scheduled) November 5, 2009; Planning Commission (Scheduled) November 5, 2009; Public Works Committee (Scheduled) November 16, 2009; and City Council (Public Hearing) December 9, 2009. Fiscal Impact – No.
26. *[Removed for discussion by Councilor Wurzburger]*
27. REQUEST FOR APPROVAL OF A RESOLUTION TO ACCEPT THE DONATION OF REAL PROPERTY (20 ACRES±) ON THE WESTERN FLANK OF SUN MOUNTAIN ALONG OLD SANTA FE TRAIL SUBJECT TO DEED OF CONSERVATION EASEMENT (COUNCILORS WURZBURGER AND ROMERO). (ROBERT ROMERO) Committee Schedule: Public Works Committee (Scheduled) October 26, 2009; and City Council (Scheduled) October 28, 2009). Fiscal Impact – No Yes

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: OCTOBER 5, 2009

MOTION: Councilor Wurzburger moved, seconded by Councilor Calvert, to approve the minutes of the Regular Finance Committee Meeting of October 5, 2009, as presented.

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

6. UPDATE ON CITY BUDGET PROCESS (DAVID MILLICAN)

- A. PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010
- B. STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011 INCLUDING FURLOUGH PLAN.
- C. UPDATE ON RESTRUCTURING COMMITTEE REPORT

A copy of a power point on Restructuring, entered for the record by Galen Buller, is incorporated herewith to these minutes as Exhibit "1."

Galen Buller thanked those employees who have been involved on this issues: Kristine Kuebli, Teresita Garcia, Cal Probasco, Pat Hodapp, Teri Rodriguez, Tamara Baer, Nick Schiavo, Dan Esquibel,

Sev Gurule, Chris Ortega, Jose Valencia, David Jenkins, Daniel Trujillo, Bryan Snyder, Jeanne Price, Victoria Gage, Kelley Brennan, Kate Noble, Barbara Salas, Erik Wheeler, Robert Romero, Kathy McCormick, Dave Millican and himself.

Galen Buller, City Manager presented information on restructuring via power point. Please see Exhibit "1" for specifics of this presentation.

Mr. Buller said staff is seeking direction on the questions asked at the end of the power point:

1. What modifications to strategic initiatives are needed.
2. Are the key values appropriate.
3. What other outcomes are needed to warrant the change.
4. Are essential services correctly defined.
5. Is the direction of the proposed plan acceptable.

Mr. Buller noted he has several staff in attendance to assist him in answering questions.

Councilor Calvert, referencing page 3 of the packet, said overall what the City does is to provide service to the community, so to him, the first priority would be the services which almost everybody uses – police, fire, streets, garbage, water, sewer. He said there are some services we all like, but not everyone uses. He said under Expected Outcomes, he mentions Increased Accountability, and asked how this is measured., and would like that one fleshed out a little more.

Councilor Calvert asked if Increased Cost Savings is budget and how people perform against budget. He said we could spend some time on Increased Efficiency. He asked Mr. Buller if he is talking about non-linear productivity. He asked, in terms of annexation, if the City government will grow by that same amount or are there economies of scale that can be brought into play. He said perhaps the City doesn't have to grow linearly in relation to how much territory/population we annex.

Councilor Calvert, referring to page 5, with regard to assumptions, said the last assumption is, "A universal standard is needed to determine what positions will be filled over time," and asked what Mr. Buller has in mind. He said this left him with questions.

Ms. McCormick said as we have been talking about restructuring they looked at what was happening in housing and knew there was less production. She said, for example, the Housing Planner is working on the Green Building Code as well as some economic development activity, and is now operating the foreclosure program. She said Mr. Romero did something similar in Recreation to have the same person perform more duties. She asked, in combining or expanding duties, what is the criteria for making that decision, and said, "That's a step we're recommending needs to happen, so we can begin talking about it, and to be perfectly honest, department heads don't start arm-wrestling for positions, so that's what that's intended to address."

Councilor Calvert said the first part of the discussion seemed to be talking about this flexibility of function, and they sort of got there. He said perhaps this is a placemaker because it's well defined as to what it would be, and that's what we're going to have to decide.

Ms. McCormick said one of the things the peer review is intended to do is to go into the organization and look at who's doing what and how, and then make a series of recommendations on what would happen if you changed these kinds of jobs, perhaps over time, through attrition. She said there will be vacancies and you need to reclass a job in a particular way. She said what we're saying is we need some guidelines on how we make those decisions.,

Mr. Millican said the universal standard is the idea of having a transparent standard linked to strategic service priorities and values, so that people who look at the decision are not confused about how it got there.

Councilor Chavez said we're talking about a three-year process to get to a point that might be better than where we are now. He said what we've done to date certainly is nudging us in that direction, but there still are a lot of unknowns, commenting that our heavy dependence on GRTs has always been a "roller-coaster" ride, and the reason we're in this situation. He said in discussing providing service to the community, he wants to put "quality" before that and operate at the best level possible. He said the core services we all depend on for health and safety have been defined as basic services – police, fire, emergency medical service. He said most items of infrastructure are water, sewer and solid waste. These are the core essential services we all depend on, and cuts across all segments. He said we have been fortunate to be able to expand beyond those essential services, and now we're trying to hold onto all of it, and that may not be possible – public transportation and paratransit services.

Councilor Chavez talked about the potential for a furlough plan as it relates to the status update on three conditions for new budget measures for 2010-2011. He asked how do we provide quality services while expecting employees to work fewer hours, and said this will be a challenge.

Councilor Chavez said the performance standards go hand in hand with evaluating all systems and all departments from top to bottom. He said we are doing strategic planning/prioritizing because of the budget constraints. He said strategic planning should be done every day, on-going, as part of the normal course of doing business.

Councilor Chavez said Mr. Buller's recommendations on the last page moves into 2010. He said we are hoping to go through this exercise and get to the Finance Committee on January 14 and 19, and February 1 and 15, 2010, with a plan to balance the budget and do everything you mentioned earlier. However, the bottom line will be to balance the budget recommendation which doesn't use reserves and doesn't require layoffs, and layoffs are the next steps after furloughs. He said we were fortunate to have a one-time large check for GRTs last year, and we decided because of the situation, we would be very careful about tapping into that reserve. He said he doesn't see an update, review on the status of the reserves, and how much we have over the State required reserves. This needs to be part of the discussion.

Mr. Millican said staff distinguished the financial budgeting process from the restructuring process, and are anticipating within that same time frame on restructuring, that there will be a mid-year review of reserves, current status.

Mr. Millican said he wants to look at the entire family of funds which have reserves which may be used for the purposes for which the Council sees fit. He said there are a range of limitations on available funds, and he wants to concentrate on those funds over which the Council has the most discretion, in looking at reserves and its role in the organization. He said the Restructuring Committee continues to aim for a budget which will not use any more reserves as part of the ongoing operation of the City. We will know those numbers better in January/early February.

Councilor Chavez said the annexation is a "mixed blessing," a "mixed bag," and a responsibility to which we all agreed. He said we are operating under the Settlement Agreement and there is responsibility we will assume in that area, and there also seems to be potential revenue to help in Phase 1 to defray some of the costs to bring roads to standards and other things we will be required to do as that area comes into the City limits. He asked if projections can be done so we can examine the burden to the City while making it equitable, and we need to do that right.

Mr. Buller said a number of projections have been made on the burden side, and the Police and Fire Departments will talk more about that on Wednesday. There have been some revenue projections as well.

Mr. Millican said Long Range Planning is working to update revenues. He said, from the big picture point of view, the annexation won't bring much revenue, primarily because there aren't a lot of businesses to generate additional GRTs, and the property tax rate of the City is low and won't produce a lot as the result of annexation.

Mr. Millican said the Restructuring Committee has discussed that the current economy and the pending annexation make a fairly intense restructuring process and we will need a strong set of service priorities essential to the City's ability to continue to provide acceptable service to its citizens. He believes there will be offsets, but those will be quite small in terms of the burdens identified. The big potential will be how we work with economic development and land use rules to see how those revenues can be grown over time.

Councilor Chavez said he is sure staff has looked at all possible sources of revenue.

Mr. Millican said yes, but have concentrated primarily on general services as opposed to capital services. He said there will be a discussion of whether the impact fees will be adequate for the infrastructure needed to service the growth in the annexed territory.

Councilor Wurzbarger said we have to look core services and the possibility of revisiting initiatives. She said it is important to have a strategic initiative for the City to do the kinds of economic development and activities, and put money into things that raise money. She said this should be recognized as a very high priority of the City.

Councilor Wurzbarger said Councilor Calvert's criteria of everybody using it, is an interesting way to look at this, and we haven't phrased it that way before. She would argue that we might have a criteria that if it's a service not everyone uses, but those who use it simply can't get it any other way, and the City has to provide it such as transit. She wants that as an explicit criteria.

Councilor Wurzbarger said the other criteria is that we make our choices as to whether or not something can add value to the City economically. She said too often we're presenting a paradigm which says it's "this," or "this." However, by taking a small piece from what we think cannot possibly be changed – merging positions – in some areas you can get more service from people than in other areas. She doesn't hear that framework.

Councilor Ortiz said the work done by Mr. Buller and the Committee accurately reflects the majority of the Council. He said the assumptions are those which moved through the budget process. He said the assumption that there will be no staff layoffs presents a problem as to exactly what you're going to be doing in restructuring. He said if there are positions with a budget impact of \$100,000 to \$110,000 annually, and you are saying you will not eliminate positions, you are freezing in place the status quo. He the Restructuring Committee and the peer groups will be looking at what jobs can or will be consolidated or eliminated, and asked how this can be done in terms of restructuring, when the underlying assumptions is that there will be no staff layoffs. He asked if we are going to get position elimination by attrition, vacancy as they come open.

Ms. McCormick said they looked at where they thought people would be retiring, moving from different positions, and whether or not to refill it at the same level – you change the position and the job title. She said when she and Mr. Romero were "combing throughout the organization, that was the question. It is through this approach that we believe we can get it to a lesser cost, and it also fits with flattening the hierarchy and looking at less division heads as those change over time, and other staff which can make decisions at a lower level. She said, "All of that thinking is intertwined in the recommendation not to have any layoffs."

Councilor Ortiz reiterated that this comports with the majority of the Council, noting he isn't in that majority. He sees the idea of customer service almost like a "Trojan Horse," for continuing to maintain sufficient levels of bureaucracy. He said when you say "customer service," you are saying customer service not just members of the public, and you are talking about internal customer service as well, which he believes sets up a false paradigm. He said his speech has always been is that there are "SSSS," and "W," as to what is essential and we have to provide, and everything else is secondary, including transit which has risen to the level of a sacred cow – Streets, Sewer, Solid Waste, Safety and Water. He said we are fortunate that the public approved a Parks bond issue to update and maintain City parks through a property tax referendum. It was an 18-month process to get the public to buy into improving the parks and recreational areas.

Councilor Ortiz said if we are going to be looking at things such as property tax increases or other tax increases, he believes we should be as educational and as up front as we can with regard to what we are spending. We have had significant rate increases to the public in water, sewer and now wastewater. We have gone through an explosion in building permit fees. He said, if customer service is such a priority,

we need to be able to explain to the public what it is getting with an increase – status quo, same service, etc. He said in a different economic time, some of us on the Council were concerned when we approved a building permit increase we were being accountable to the public and generating permits within a specific period of time and not sitting on desks.

Councilor Ortiz said we have few building permits at this time, and we have a Land Use Department that isn't processing building permits any more. He asked what we are doing with those employees and their time, and how are we looking at the changed realities of what we're facing here in this community and across the State in order to restructure some of those employees. He said this is what he wants to see.

Councilor Ortiz said the priorities mentioned are correct, but it's really about the results. Some Councilors are concerned about the process, but ultimately we have to be concerned about the results. He asked how we are going to justify the number of positions in Land Use which now has fewer permits and subdivision plats to process. He asked how we justify some of the planner positions in the different department and exactly what they are planning, and what value we are spending on those positions. These questions haven't been answered, and perhaps the peer review and the department process will generate some of those answers.

Mr. Buller said this is exactly what he is expecting from the peer review. He said the group talked about service provided to internal customers. He said one of the reasons they want to look at ASD and HR first, is because there are a number of those processes in these departments which are all for internal customers. The peer group will look at whether it is being done efficiently, and whether we have the right resources assigned to that department. He said we don't want to provide less service because we have less money across the board, and we would rather maintain a high level of service to those services we continue to provide. In addition to attrition, staff is looking for guidance on whether we can introduce more flexibility into what it is that employees do. He said with annexation coming on and SPPAZO having been approved, it is anticipated that there will be lot of ongoing stuff that we inherit in the County which will keep people in Land Use busy for some time. However, we need the peer review group to question that and to ask hard questions about that, so he is in agreement with what Councilor Ortiz said.

Councilor Ortiz asked if the peer review process will be modeled after a Quality New Mexico model, or will it have another model of which we are unaware. He asked how we will get participation from people in all levels of the organization in this peer review process and not have it be just a top-down exercise.

Mr. Millican said the main idea is to create a peer review/partnership with the departments being reviewed, but have everybody trained in triaging what will have the greatest impact on service, the priorities. They expect to have participation in the peer review groups with both managers and union representatives, but they aren't final on this and still have to talk to the union about the approach it and we think would be appropriate for its members to participate in it outside the union's own representatives. He said we want to get the groups named, and have people from all groups, and then start to bore-into the areas where think there is the greatest potential and to ask some fairly difficult questions. Staff can report on the status of this effort as they move into the peer reviews.

Councilor Ortiz said, according to the sheet you've given us, you will start forming these peer review teams on November 1, 2009, so there won't be another meeting before you start implementing.

Mr. Millican said they will have a rough outline by November 2nd, and fully fleshed out to report to the Committee on November 30th. He said Administrative Services, Finance, ITT and HR will go first and it is expected to be a test where we will learn some lessons which will inform the process we take into the other department. He noted some departments have restructured already and those are subject to Council review – Police, Fire, Public Works and Housing and Community Development.

Councilor Ortiz said he doesn't agree that internal customer service has the same value as external customer service, and contingent on that is this other idea we will hear about in some of the other items tonight, which is how we are doing cost containment and cost control on some of the contracts we are awarding. He asked how we are holding those subcontractors to the same fiscal restraints and responsibilities to which we are holding our organization. He said it is one thing to say that we are going to do everything we can and spend time and effort publicly to go through a restructuring process and asked people to sacrifice and tighten belts and then hand out contracts with no accountability and let the contractor spend on whatever it wants and in whatever amounts they deem sufficient. This takes away from essential City services as well. He noted this was one of the conditions of the budget approval.

Mr. Buller said on contracts which come before him now, he asks that a number of things be reported by memorandum – have you done everything you can do to reduce the cost of the contract. He said they have been looking at that and at existing contracts. He said going forward, contract administration will have someone taking a hard look at the scope of services and whether those services can be handled internally, and if we should be doing more inside contracting, even between departments. This is all part of what the peer review group will be examining. These are the hard questions this Committee has been asking, we just haven't sent those to the departments for answers.

Councilor Wurzbarger would reinforce the issue of contracts. She said her constituents are having a hard time understanding how the City can make cuts and not change personnel all, and yet the services are staying the same. She said at some point, especially during annexation, we have to look at the possibility that service may have to change. She asked staff to flag any services considered to be dropped, whether internal or external, and wants that brought forward to this Committee.

Councilor Chavez sees customer service on both ends. As it relates to the need to respond to permits, there is a lot of remodeling and people are requesting permits for simple things such as a shed or a fence. These are the projects which the homeowner needs to get through the system. He has feedback from people in the community who are getting stuck on these lower level permit process. He said there are levels of customer service and believes it has to be external and internal, else how will staff know what they are expected to do. He asked how we will establish goals and objectives.

Councilor Ortiz asked Mr. Buller if he would like the Committee to provide answers to the questions he posed in his presentation. He said this is an information item, and asked if he would like the Committee to give general direction, or to put it on the next agenda for discussion and have us vote on these questions.

Mr. Millican said the expectation is that your conversation about these would inform our decisions as opposed to going through a formal voting process. He thinks that process probably will be reflected in the Committee's response to the budget which is proposed as a result of these. He said staff will always keep in mind what the Committee thinks is important in the process and to reflect it in the products of the process. He said it would be helpful to put this on the agenda and discuss the questions and any additional comments.

Chair Ortiz asked if staff feels there has been sufficient discussion on these items, or should we go through the items category-by-category. He said Councilor Wurzbarger said in the first category on page 3, the additional strategic initiative to ask for income or economic development which isn't listed.

Mr. Millican said although it isn't listed, it is one of the 10 initiatives listed in the attachment to the package which is to find more money, and he understands Councilor Wurzbarger doesn't want the staff to concentrate just on more tax money, but to look at other ways for the economy to support the service levels.

Chair Ortiz said he believes the key values accurately reflect the Council. He asked if there are other outcomes in addition to the increase in accountability, cost savings and efficiency in terms of outcomes.

Mr. Buller said this may start to appear as Departments come before the Committee after a time.

Chair Ortiz believes essential services are correctly defined as the result of the majority of the Council. Responding to Councilor Calvert, Chair Ortiz said then Finance could be both assets and services as well as internal support.

Mr. Millican said it appears this implies that support is the last priority, but the real important stuff is what the City delivers for its community. The support services and investment and support services should be sized to ensure that the line departments have what they need to do their jobs efficiently and effectively. For the Council, in its role of governance, to have the accountability and stewardship issues covered.

Councilor Calvert said in governance there are Constituent Services and Budget.

Mr. Millican said the budget and governance are the whole resource allocation issue.

Councilor Chavez said our ultimate responsibility is ensuring that the budget is balanced, and the two go hand-in-hand. He thinks this is a good start.

Chair Ortiz said he believes that services of children & youth, seniors and human services, addressing health and safety, are really community and neighborhoods and hedging what the essential City services are.

Councilor Chavez said Children & Youth has its revenue identified through resolution which is a certain percentage of GRTs.

Chair Ortiz said this is the reason the cluster is placed higher in terms of priorities, because it has a self-identified funding source. He thinks that some of the issues, such as health & human services, children & youth and the Arts Commission, all have fallen into the status quo and become its own private endeavor through a separate process to award monies. He said if we had political courage, we could decide to use those revenue sources to address other priorities not being met, such as the issues with the schools.

Chair Ortiz believes the assumptions are correct, a recitation of what the majority agreed-upon in the last budget session.

Councilor Wurzbarger said to do what we have to do, if the lowest priority – tourism promotion and economic development, airport – brings people to the City that pay for the services we need to provide, that is a hierarchy that doesn't work, and part of the problem. She doesn't like the hierarchy of it because things have to be interrelated and it is an issue of balancing.

Councilor Wurzbarger said according to this hierarchy, we should just get rid of the Convention Center, tourism promotion, sustainability which is one of our major economic development activities and Historic Preservation. She has problems with this hierarchy.

Mr. Millican said staff found it difficult in looking at these priorities and in the report they talk about the priority of community amenities. He said in some people's view, Santa Fe is full of amenities which other communities don't have. However, Santa Fe is also defined by its amenities in the marketplace and in the world. It was difficult for staff to identify some of some of those things at the outer edge.

Councilor Wurzbarger said we have to have these services, but we don't make the connection with how to bring the money to the table needed to fund the City. She said perhaps it is a core question is how we fund what we choose to do or what we think our constituents are wanting use to do

Councilor Chavez agreed that the assumptions are a correct recitations of our priorities. He said there is nothing wrong with redirecting the message we want to send. He said Historic Preservation has a lot of value, but if we're only saving the built environment, which are the quaint, nice adobe houses which most of us can't afford to live in, then we're going in the wrong direction. We need to add to that and talk more about the people and place, and perhaps make Historic Preservation more interesting so we connect those buildings to the people and a place, and in today's time. We need to talk about the funds it generates as well as the message we're sending to our visitors, and their experience in Santa Fe.

Mr. Buller thanked the Chair and the Committee saying the discussion has been very helpful.

Chair Ortiz said when the peer review process is in place, we need to have the bargaining unit representatives involved in these groups and the invitation should remain open throughout the process. There should be a call to the people who work within the departments who aren't so active and involved in their particular bargaining unit – the people with the ideas to make their part of the organization more

efficient and responsive. He hopes the groups are formed in the spirit of coming up with solutions as a group and not necessarily as a department or staff meeting where they are told what to do and there is no open exchange of information.

Councilor Calvert noted three cities were included as examples, in terms of feedback, and he hopes we won't be looking at the City of Bellingham, Washington. He said the membership of their task force was 9 department heads, 2 members of City Council and one of its recommendation was \$5 million in cost savings which would have required voluntary concession and negotiation by the bargaining units. This sounded like it isn't a good way to go, and a model he wouldn't want to follow.

Responding to Councilor Chavez, Chair Ortiz said the model we will use is a work in progress and we will get an update at our next meeting on November 2, 2009, and everyone thereafter.

7. UPDATE ON BUCKMAN DIRECT DIVERSION PROJECT OPERATIONS AND MAINTENANCE BUDGET CREATION FOR FY 2010/2011 (RICK CARPENTER) (Postponed at Finance Committee meeting of October 5, 2009)

This item was postponed to the next meeting of the Finance Committee.

8. UPDATE ON HOUSING CONTRACTS WITH SANTA FE COMMUNITY HOUSING TRUST AND HOMEWISE. (KATHY McCORMICK)

Responding to the Chair, Ms. McCormick said we don't do a contract with Habitat except for some down-payment assistance. She understood the request was for Homewise and the Housing Trust because we have contracts with them for administration and other programs.

Chair Ortiz asked, in these times, how both of the contractors responded to the belt-tightening we are doing here at the City with regard to their own administrative expenses.

Ms. McCormick said they will need to talk more about their own internal systems. She said the contracts with them for administration have been cut by 15% from the prior years. She said, initially, she thought about basing reimbursement on a fee for service for each person put in, but both groups said they would have difficulty doing that for budget. She said following this meeting, staff intends to circle back with them to talk more about doing exactly that, so we pay them based on the actual number of people put into homes, with some core amount so they have a core budget, with the incentive to work to put people into homes.

Chair Ortiz said this is a question in his mind and asked the Committee if it has additional questions of Ms. McCormick or the contractors.

Councilor Calvert said it says, "To date 30 loans have been executed and all funds have been used," and asked if this means all \$600,000. He said his calculation is that each loan averaged \$20,000.

Ms. McCormick said \$50,000 was allowed from the \$300,000 from the City for Homewise's overhead, but the balance of \$550,000 has all been loaned. She said the average loan is less than that, but very close to \$20,000.

Chair Ortiz noted that the administrative percentage is about 16.5%.

Ms. McCormick said \$600,000 should be used as the base. The City put in \$300,000, which was matched by Homewise, and it used \$50,000 for administrative overhead. She said the balance was all put into loans.

Councilor Ortiz asked, in granting funds, shouldn't we look at the percentage of taxpayer funds being spent for administrative overhead. Ms. McCormick would have looked at it as total program which was \$600,000, which is 8-9% overhead which seems reasonable to her.

Councilor Ortiz said then the City paid all of the administrative overhead, even for the funds which Homewise matched itself.

Councilor Calvert referred to page 3 of the Memorandum, where it talks about an option of paying a flat amount for closing. "Another [option] is to reduce funding overall and ask the County to provide funding for similar services; at this time the County does not reimburse either organization for providing these services if clients choose to purchase a home in the County." He recalls the Council adopted a Resolution to work with the County on affordable housing. Ms. McCormick said that language came from the Resolution.

Councilor Wurzbarger noted 100 employers have signed onto the Homewise Program for the Economic Development Fund on the employer-assisted housing programs. She asked how many people have gotten homes through the program to date.

Mike Lofton, Homewise, said 78 have been placed in homes. He said the funds primarily were used for down-payment assistance, and there were matching funds which helped that to happen. He said there are 122 businesses partnering in the program.

Councilor Wurzbarger said she thought the concept was that the businesses would match the City's contribution, which would be matched by the State, and by Diane Denish and the Governor's Office, and asked if we are still working on this original concept, but it hasn't happened.

Mr. Lofton said the County is considering something right now, so they are hopeful, commenting that would be a big help. He said, given the State's fiscal situation, he doesn't have much hope for the State's involvement. He said he doesn't have the file with him, and apologized for that.

Responding to Councilor Wurzbarger, Ms. McCormick said they collect this information and will begin revising the quarterly report for Affordable Housing, so they will go into greater detail for the report which will be submitted to the City Council, and the other report which is submitted to the community which is broader.

Councilor Wurzbarger asked how many people have received home assistance from the amounts listed. Ms. McCormick said she would like to get back to her with this number.

Mr. Lofton said two years ago 180 families were placed in homes, last year 165, and this year probably about 180 because of the workforce housing assistance from the City and the federal tax credit. The strongest market is the first time home buyer. They counseled 506 families last year on how to buy a home and 165 actually purchased homes.

Councilor Wurzbarger asked why we aren't purchasing homes already on the market.

Mr. Lofton said of the 165 people who bought homes last year, 24 were built by Homewise. The balance were built by another builder or are were existing homes. He said the City has done a good job of administering neighborhood stabilization program funds which are federal funds to help absorb foreclosed property, and a number of people were put into those homes. Santa Fe is ahead of other cities in spending these funds, and could get additional funds..

Councilor Wurzbarger asked Ms. McCormick to summarize this information on a half piece of paper. She asked the Housing Trust to answer the same questions – how the money was spent, for whom and the results, with number.

Sharon Welsh, Housing Trust said she agrees with Ms. McCormick's summary of funding for the next budget year. In the last year, the City provided the Trust with \$180,000 in down payment assistance, and they made \$1.8 million, including the \$180,000 of homebuyer loans originated by the Housing Trust. She didn't bring last year's statistics or the YTD statistics, but expects this year to be a little better than last year, because they completed a development project this year.

Ms. Welsh said the administrative funds they received are just those identified as the General Fund which represents about \$1,580 per household closed last year. She said they don't perform the same services for the County, and don't service its loan portfolio nor closings, and don't coordinate with the lender and realtors, noting County staff does that. She said the General Fund monies from the City represent about 19% of their pure administrative funding, and other sources are fees and grants.

Ms. Welsh said they have cut staff from 10 to 8 full time, with 2 part-time position, on which is purely for the City, and one is paid through federal programs. The other services are provided by vendors. She said they have been at this same level of core personnel for 16 years.

Responding to Councilor Chavez, Ms. Welsh said the Housing Trust is strictly home purchase, not rehab financing, which traditionally has been done by Homewise. However, she does see the possibility in the future. They do try to recycle existing affordables, when resold, to new affordables. She said they are doing very small energy audits with some materials for weatherizing and making homes more energy efficient, which is the \$60,000 e-upgrades program. The majority of those funds are earmarked for the materials and for YouthWorks and EarthWorks and are matched with grants from the Sierra Club. She said Nick Schiavo and Ms. McCormick have been very helpful with the original design of the program. She said 125 homeowners were visited.

Councilor Chavez said he would like to see this information in writing, and Councilor Wurzbarger said she has already requested this information.

Councilor Chavez said the County Ordinance has a transfer of development rights, and the City can't do that. He would like to revisit our ordinance on this issue and the equitable revenue and reimbursement issues.

Ms. McCormick said this work is happening, and we want to standardize language around income verification, and then look at how we do pricing, so that will come later in the process. She said the question is if the City wants to be the receiving site for a transfer of development right, which is a policy issue to be debated by the Council. She said TDR's don't work very well because you are bringing density into a community that doesn't want it.

Councilor Calvert said they work best where transferred from one vacant property to another vacant property.

Councilor Calvert asked on the renewable energy loan program, how soon there will be sufficient monies replenished in this for use.

Mr. Lofton said he would have to check the average term, but many go out to 20 years so recycle takes time. He said they are looking for other sources of funding to continue the program which is very simple. He said they are working on other funding.

Councilor Calvert said the loan payment is pretty much covered by the energy savings.

Mr. Schiavo said they are getting about \$900 per month back in principal and the average loan was \$17,000, so it would be 19 months before they can do the next loan. He is asking the feds if we can use \$100,000 of the stimulus funds to buy down interest rates, so Homewise could loan more money.

Chair Ortiz asked that both Homewise and the Housing Trust, in addition to the information requested, to provide their 990 forms for the past two years by the second meeting in November – November 30.

9. REPORT ON STATUS OF CONTRACTS WITH LAS CAMPANAS (FRANK KATZ)

Marcus Martinez, Assistant City Attorney, said there used to be a combined account for domestic and golf course water for Las Campanas. He said the account is past due \$276,492.84. He said this has been split into two accounts, one for the cooperative and one for the golf course water. The Cooperative bill is fully paid, although the past due amount remains. The Golf Course has a current amount due of \$111,549, with a total of \$388,041.84 past due. He doesn't know how far past due the account is. He said Finance has a meeting planned tomorrow with Las Campanas which he will be attending and he will try to discover how long these amounts have been past due. He spoke with Mike Sanderson, VP, Las Campanas LLP, today and he hopes to resolve these amounts quickly and seems eager to do so.

Councilor Chavez thanked staff for this information, and said he would like to have this report in Memorandum form for himself as well as all of the members of the Governing Body.

Chair Ortiz asked about the issue with Buckman Direct Diversion and the tripartite agreement between the City, the County and Las Campanas on the BDD, and asked Mr. Martinez for a brief update.

Mr. Martinez said on Friday the County Commissioners approved a bulk water service agreement with Las Campanas, noting he has a draft of the agreement but not the final agreement. He said in the draft version, Las Campanas and the County have agreed that the County will make Las Campanas a customer of the County, and the County will receive water rights and build a parallel pipeline which will alleviate the pressure Las Campanas would otherwise be making on the City system.

Chair Ortiz asked, in terms of the agreement the County seems to be executing with Las Campanas, how that interplays with the agreement between the three of us in terms of how to work out the details of our agreement, so the City interests continue to be made whole through the process.

Mr. Martinez said this is an ongoing question which is being addressed for the BDD Board. He said certain agreements in which the three partners have entered, for example the Facilities Operations & Management Agreement, will need to be amended to address the way the allocation of responsibility will fall between the two remaining partners and this bulk water customer.

Chair Ortiz asked when we will see whatever is done.

Mr. Martinez said this is unclear, and he expects the County will be coming back to the Board to pursue the possibility of using the BDD Board construction facilities through the contract it has with CH2M Hill and Western Summit to do the parallel pipeline to Las Campanas. He doesn't know when these changes will be made to any agreements to which the County and City are parties, although he hopes it is addressed soon. The City has been concerned that its rights under the Settlement Agreement would be preserved and protected through this change of hands and the ownership of the water rights.

Councilor Calvert said the lingering discussion at the BDD Board is that the County thought this arrangement was strictly between the County and Las Campanas. He said, "Some of us on the Buckman Direct Diversion Board think it needs to include the Diversion Board and the City's interest as well, because there are impacts on that arrangement, and that's where I think we still have some discussion between the County on the Board and the City on the Board as to how that's going to get resolved."

Councilor Wurzbarger said, as the Co-Chair of the BDD Board, we are very far along in comparison to what we were two months ago. She commended staff, Mr. Katz, Mr. Martinez and the BDD staff, for jumping on this right away. Once we had a better understanding, staff has done a great job in representing the City. She is comfortable that what they hear at BDD will reflect solutions to the issues which were raised and that we have been protected as a City. She said the agreement made on Friday will be at the next BDD meeting. The next step will be for our attorneys to sit and make any necessary changes to the three agreements. She said we were advised that once we made the key decisions about a pipeline, how it was going to be delivered, whether it was going to be shared, it is a matter of defining the

responsibility between two parties rather than three. She said the PUC was concerned that the BDD Board should not be paying for the legal expenses associated with something which is a Las Campanas/ County deal.

Chair Ortiz said his recollection of the agreement is that it requires City approval, and he does not believe the BDD has the authority to grant approval to a substantive change to a tripartite agreement without Council approval.

Councilor Wurzbarger said it will come back to the Council in exactly the same way as before.

Chair Ortiz said there were some Councilors who were openly skeptical of Las Campanas' participation in the agreement and whether it would fill the required finance obligation, under the Settlement Agreement of our litigation, as well as going forward with the BDD. He said whatever the County and Las Campanas have done, the Council ultimately has the opportunity to approve it after it goes through the Committee process.

Councilor Chavez said it appears we are "chasing after the bus to get on," on this one, and we should have been notified prior to consummation of this deal. He said if we were really cooperating this shouldn't happen, and neither should incur legal expenses to do what needs to be done.

Councilor Chavez asked how the County's 40-year water plan to start drilling wells somewhere in the County will impact our utility, the diversion project, and if it will add another layer of customers. He hopes we can iron all of this out very soon.

CONSENT CALENDAR DISCUSSION

- 16. REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO CONTRACT – REPLACE PUMPS AND VARIABLE FREQUENCY DRIVE AT THE MRC PUMP STATION LOCATED AT WASTEWATER TREATMENT FACILITY; ALPHA SOUTHWEST, INC. (KATHLEEN GARCIA)**
A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.

Councilor Calvert noted there was a condition of approval imposed at PUC, but it isn't in the packet. He said \$2,000 was going to come from a source we thought inappropriate, and he wants to make sure that condition continues with this approval.

Bryan Romero said the \$2,000 from Parks Bond won't be used, and the Memorandum before the Committee should be correct. It will be for \$52,000, but without the Parks Bond funds, and the remaining \$2,000 will come from operating funds, Business Unit 52452.

MOTION: Councilor Calvert moved, seconded by Councilor Wurzbarger, to approve this request with the condition that the \$2,000 originally coming from the Parks Fund, will come from another source which Mr. Romero has identified.

DISCUSSION: Councilor Chavez would like this reflected in an FIR when it goes to Council.

Chair Ortiz said the BAR just needs to be revised going forward.

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

- 20. REQUEST FOR APPROVAL OF A RESOLUTION RECOGNIZING THE URGENCY OF STABILIZING THE CLIMATE AS WELL AS THE ROLE THAT ~~SANTA FE COUNTY~~ THE CITY OF SANTA FE CAN PLAY IN SUCH AN ENDEAVOR, AND IN SUPPORT OF US. MAYORS CLIMATE PROTECTION AGREEMENT (COUNCILOR CALVERT). (NICK SCHIAVO). Committee Schedule: Public Works Committee (Scheduled) October 26, 2009; and City Council (Scheduled) October 28, 2009. Fiscal Impact – No.**

Councilor Calvert said the title should be City of Santa Fe and asked to add language to the Resolution requesting the City Clerk to distribute copies of this Resolution to the United States Congressional Delegation.

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to approve the Resolution, as amended.

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

- 24. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER NEGOTIATIONS WITH THE SANTA FE RAILYARD COMMUNITY CORPORATION; RAILYARD COMPANY, LLC, SANTA FE SOUTHERN RAILWAY, INC., THE STATE OF NEW MEXICO AND ANY OTHER NECESSARY PARTIES TO DEVELOP A PLAN THAT WOULD PROVIDE FOR THE COMPLETION OF THE UNFINISHED PUBLIC AND PRIVATE SPACES AT THE SANTA FE RAILYARD IN ACCORDANCE WITH THE RAILYARD MASTER PLAN (COUNCILOR ORTIZ, MAYOR COSS AND COUNCILOR WURZBURGER). (ROBERT ROMERO). Committee Schedule: Public Works Committee (Approved) October 13, 2009; and City Council (Scheduled) October 28, 2009. Fiscal Impact – Yes.**

Chair Ortiz said the amendments were approved by the Public Works Committee.

Councilor Chavez said he wants to express his concern about this action, which he expressed at Public Works, noting he abstained from the vote, and will abstain from this vote. He said, for the record, that this doesn't seem to be a good fit, even with the amendments.

Chair Ortiz said this originally was his Resolution and he believes the amendments are fine and are an incremental approach to what is happening here. He said he will caution the Governing Body that the Resolution is to start the process, and if we don't act on this endeavor through the Railyard Master Plan, which approved a cinema on the property, we could find ourselves in a hole with that particular piece of property. He said the reason for the Resolution is to convey that sense of urgency.

Councilor Chavez said the Master Plan has changed and he has lost track of the changes.

Chair Ortiz asked when this goes to Council it would be helpful to have the relevant portions of the Railyard Master Plan in the packet. He said that Plan has always had the idea to have a cinema complex on the Railyard property, an idea he rejected initially and didn't support. However, he has been convinced by the stewardship of the Railyard Corp., by Mr. Chosky and some of the members that we are making progress on the Railyard, and it would be a shame to have that progress grind to a halt, particularly for this parcel.

Councilor Wurzbarger asked, by adding the other possible entities if that includes a discussion of the building at the corner where we want to have the reception area.

Chair Ortiz said as he understands the amendment from Public Works it was to open any and all possibilities.

Councilor Chavez said that raised a caution in his mind. He said the cinema is now underground, because we need to do retail space on top. The master plan tried to accommodate the current tenant, Jean Cocteau Theater. We traded that local, well established venue for an out of town venue that promised things which Jean Cocteau couldn't offer. He has nothing against the project or the idea, but in this economic climate this one component of the Railyard Master Plan has gone through every possible funding source and now we are expected to bail this out, and he doesn't know we can do this in the face of our budgetary constraints. This is the reason he abstained. He is uncomfortable with the information we have now and doesn't know how this will play out in the future.

Councilor Wurzbarger clarified that it is her understanding that this is a process we are starting, and we would have to do the same kind of due diligence as we did with the College and ensure the ability of the entity to pay back a bond, or has some other form of assistance that is a fiscally responsible option. She said this isn't saying the City is giving a grant to do this. She has the same concerns, and she wants to make this clear for the record.

Chair Ortiz said, as the sponsor, it was direction to staff to do an ordinance, and he is tied to results more so than this process, and he was properly educated by staff that to follow the same process as the College of Santa Fe he had to introduce the Resolution. He said as written by staff, it follows the same process as the College with the same requirements for fiscal due diligence.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to move this Resolution forward with the amendment from the Public Works Committee, so we can do the work we need to do to see if this is a viable choice for the City.

VOTE: The motion was approved on a voice vote, with Councilors Calvert and Wurzbarger voting for the motion, no one voting against, and Councilor Chavez abstaining.

Explaining his abstention: Councilor Chavez said he is abstaining to be consistent. He said he sees no comparison between the risk we are taking for this project with the College of Santa Fe, and urged caution.

Chair Ortiz said for the record and for Councilor Chavez's benefit, an abstention vote counts as a vote with the majority and asked Councilor Chavez if he wants to reconsider his position, given his concerns, or does he want to continue to abstain.

Councilor Chavez said an abstention also counts as a no vote under the Rules of Procedure, so if he has to vote against this, he will change his vote to no.

VOTE AFTER COUNCILOR CHAVEZ'S RECONSIDERATION OF HIS ABSTENTION: The motion was approved on a voice vote, with Councilors Calvert and Wurzbarger voting for the motion, Councilor Chavez voting against, with Chair Ortiz indicating his sentiment in favor of the motion..

- 26. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO DO A BUDGET ADJUSTMENT IN THE AMOUNT OF \$750,000 FROM THE CITY'S RESERVE FUND TO THE CITY'S GENERAL FUND FOR THE PURPOSE OF COMPENSATING THE SANTA FE 400TH ANNIVERSARY, INC., FOR VARIOUS EVENTS AND PROGRAMS (COUNCILORS ROMERO AND TRUJILLO AND MAYOR COSS). (DARLENE GRIEGO) Committee Schedule: Public Works Committee (Scheduled) October 26, 2009; Parks and Open Space Committee (Scheduled) October 28, 2009; and City Council (Scheduled) October 28, 2009. Fiscal Impact – Yes.**

A copy of "Santa Fe 400th Anniversary Master Tally," which was contained in the Committee packet, and which was submitted to the Committee Stenographer, Melessia Helberg, for the record by Libby Dover, via email the day following this meeting, is incorporated herewith to these minutes as Exhibit "2."

Councilor Wurzbarger said she removed this item because she is concerned that the Resolution is not clear in terms of the repayment/replenishment of the City's Reserve Fund.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to approve this request, with the condition that this Committee wants more specificity on the use of the funds; and by the time this goes to Council that there be a clarification as to how to replenish the fund with a clear one-time infusion of funds with a payback of the funds sooner than later, subject to there being a suggestion of how to replenish that fund in the packet by the time this item goes to the City Council.

DISCUSSION: Chair Ortiz said he agrees that we need to be absolutely clear that these funds are a one-time infusion, and that we will have some accounting for this to be paid back, sooner rather than later, and just not on the idea that "we will pay it back if and when our General Fund bounces back." He said without going into the details of the operating expenses, we have taken the position as a Council that we will not tap into contingency reserves to pay operations in the City. However, by approving this Resolution as it stands, we would be taking the position that we are paying operational expenses for this private endeavor as a one time deal from our reserves, so we need some clarity on this language as it moves forward to Council.

Chair Ortiz said the Resolution was introduced only last week. He said if we are talking about fiscal accountability, responsibility and due diligence, this item is on a fast track for approval, and we need to see some clarity in this before it goes to Council.

Councilor Chavez said then we are compensating the Committee, and asked if the entire \$750,000 has been allocated.

Darlene Griego said it is her understanding that a general plan was given to the Committee members this evening [Exhibit "2"].

Councilor Chavez said it is hard to follow because there are some items which have been paid, there is some income which is not secured, and proposed income, commenting it is hard to track. He said there are different areas, and asked about the outdoor cinema.

Libby Dover, Executive Director, said the funding for the Outdoor Cinema is for 28 shows and it is across a number of parks across the City, not just at the Railyard, but that would be one of them.

Councilor Chavez asked if an option would be to do 14 shows instead of 28.

Ms. Dover said absolutely. She said they know the most important thing for us to cover as an organization are our operating costs, because this is something a corporate sponsor wouldn't take care of, and then looking after the operating costs and where we can get the best bang for our buck. This was looking at the smaller events we have planned such as the outdoor cinema which would reach 10,000 people across the summer, and the Arts and Lecture Series which happens 1-2 time a month over the next 14 months. She said under the tab for the master tally, it provides the allocation from the \$750,000 for each individual budget and the percentage which would be used toward the event.

Councilor Chavez said then the operating budget is \$570,000, and asked if this includes salaries and employee taxes, and Ms. Dover said it does, and includes everything from rent, insurance to all of the salaries and everything is outlined under your tab for operating by the month.

Councilor Chavez said then if you subtract the \$570,000 from the \$750,000 that would be the balance for actual programming.

Ms. Dover said this is correct, and one of the things they tried to do was to take care of the operating so that our staff can then work to get more money to produce events. They have been struggling with the issue of how to produce events and to plan for the future when they don't know if the organization will exist in four months. She said approval of this Resolution will allow them to move forward and lay a foundation from which to work.

Councilor Chavez understands, saying it is unfortunate there wasn't more support from the Legislatures. He said we are looking at sponsorships of \$5,500 per month, "just on that person's salary alone." He knows we need to pay people to do work or it won't be done. He asked a ballpark estimate on what the sponsors have generated to date, and the revenue from merchandise at this point.

Ms. Dover said the merchandising program was launched over Labor Day Weekend and they had been at all of the events. She said they have received only one check for \$4,000 to date. She said they expect monthly income from there, and they also have a store on the website. She said over the summer they raised about \$100,000 in sponsorships, and they have \$200,000 of proposals on peoples' desks right now for the 2010 FY. She doesn't know if those will come in, but she is diligently working on that.

Ms. Dover said the Sponsorship Manager was tasked when he was hired was to get the hotels to sign onto the "Heads and Beds," Program, and he has signed 12 hotels. However, it is not expected that most of them will start paying until November 1, 2009 or later.

Councilor Chavez asked if the Sponsorship Manager would be willing to take a percentage of what is actually generated, noting he's looking at ways to cut costs. He said to take \$750,000 from the General Fund at this time isn't going anywhere. He doesn't know what guarantee we have that it is coming out of Lodger's Tax, because that isn't only our decision to make. He said he doesn't know why we can't increase the Lodger's tax again. However, until we do, "it's a bird in the bush and not in the hand." He said we need to look at ways to reduce this budget, but still do the job we need to do in the remaining time. He is comfortable allocating a portion of the funds, but he is not totally comfortable with the dollar amount. He said he also is a little skittish without a guaranteed source other than the General Fund. He said he introduced the Resolution and wants to keep doing the work, but we need to be very careful about how we move forward.

FRIENDLY AMENDMENT: Councilor Wurzbarger asked to amend the motion to direct staff to look at the options for the payback to do exactly what Councilor Chavez is suggesting, and in advance of the Council meeting to direct staff to make an effort to meet with Ms. Dover and try to cut the budget some.

DISCUSSION ON THE FRIENDLY AMENDMENT: Councilor Chavez said we need to meet with the Santa Fe Legislative Delegation and he would like some commitment from the Legislature to increase the Lodger's Tax for this purpose.

Councilor Wurzbarger said because of the timing, this was an effort to enable the 400th to move forward and get assurances for how the money will be repaid.

RESTATED FRIENDLY AMENDMENT: Councilor Wurzbarger asked to amend the motion to direct staff to look at the options for the payback to do exactly what Councilor Chavez is suggesting; in advance of the Council meeting that staff be directed to make an effort to meet with Ms. Dover and try to cut the budget some; to approach the Legislature for an appropriation; and to explore the possibility of raising the Lodger's Tax as an additional strategy. **THE AMENDMENT WAS FRIENDLY TO THE SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

VOTE: The motion, as amended, was approved on a voice vote, with Councilors Wurzbarger and Calvert voting in favor of the motion, none against and Councilor Chavez abstaining.

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

28. REQUEST FOR APPROVAL OF 2010 FINANCE COMMITTEE MEETING SCHEDULE. (DAVID MILLICAN)

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

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

29. REQUEST FOR APPROVAL OF CONSIDERATION TO RE-ESTABLISH POSITIONS IN FY 2009/2010 BUDGET. (KRISTINE KUEBLI)

Councilor Wurzbarger said the Committee did get a new report.

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

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

30. OTHER FINANCIAL INFORMATION:

A. UPDATE ON GROSS RECEIPTS TAX REPORT FOR OCTOBER 2009 AND LODGERS' TAX REPORT FOR SEPTEMBER. (DAVID MILLICAN)

A copy of the "City of Santa Fe, New Mexico, GRT Update," dated October 19, 2009, is incorporated herewith to these minutes as Exhibit "3."

Mr. Millican said we are down 8% from prior year's collections, down 4.5% from 2007, but we are 1% over our forecast for the month, which brings us to within a half percent of the year to date forecast. He said during the next 2-3 months we will need to see improvement, because the second half was forecast for slow growth. These figures will determine our recommendations as we go into mid-year.

Mr. Millican said the Lodger's Tax is down 13% plus, year to date, noting the receipts "bounce up and down," month to month, and the reason we focus on the YTD figure.

31. MATTERS FROM THE COMMITTEE

There were no matters from the Committee.

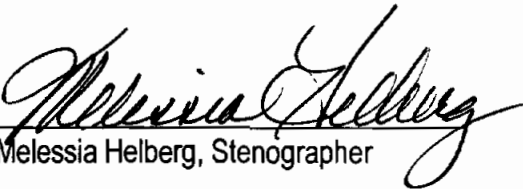
32. ADJOURNMENT

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 pm.

Matthew E. Ortiz, Chair

Reviewed by:

David N. Millican, Director
Department of Finance



Melessia Helberg, Stenographer