



Agenda

Finance Committee Meeting
City Council Chambers
January 19, 2010 – 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 1/15/2010 TIME 11:40 am

PREPARED BY Laura Vigil

REVIEWED BY [Signature]

JANUARY 4, 2010

INFORMATIONAL ITEM

6. UPDATE ON CITY BUDGET PROCESS (DAVID MILLICAN)
 - A. PEER REVIEW TEAM PRESENTATIONS
 1. INTRODUCTION TO PEER REVIEW PROCESS
 2. PEER REVIEW TEAM 3 PRESENTATION – CONVENTION AND VISITORS BUREAU (BARB BOLTREK)
 3. UPDATE AND REQUEST FOR APPROVAL OF WATER DIVISION RESPONSE TO PEER REVIEW TEAM 1 RECOMMENDATIONS FOR THE PUBLIC UTILITIES DEPARTMENT PRESENTED ON JANUARY 4, 2010 FINANCE COMMITTEE MEETING (BRIAN SNYDER)
 - B. PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010 AND FISCAL YEAR 2010-2011
 1. REVENUE AND ECONOMY UPDATE
 2. BUDGET CALENDAR
 3. CONTINGENCY PLAN STATUS
 - C. STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011
 1. CONTRACT REDUCTIONS
 2. CONTINGENCY PLANNING
 3. PRESENT RESTRUCTURING COMMITTEE PLAN



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CONSENT AGENDA

7. BID OPENINGS:
 - A. BID NO. 10/08/B – CANADA EXPLORATORY TEST WELL PROJECT; HENKLE DRILLING & SUPPLY (BILL HUEY)
 - B. BID NO'S 10/18/B AND 10/22/B – CHEMICALS FOR WATER DIVISION; DPC INDUSTRIES (VICTOR ARCHULETA)
 - C. BID NO. 10/19/B – CHEMICALS FOR WATER DIVISION; POOL AND ELECTRIC PRODUCTS (VICTOR ARCHULETA)
 - D. BID NO. 10/24/B – ONE LARGE TRUCK CAB AND CHASSIS; TRUCKS WEST INC. (BILL DEGRANDE)
 - E. BID NO. 10/25/B – ONE TOP LOADING RECYCLING BODY; HIGH MESA ENVIRONMENTAL (BILL DEGRANDE)
8. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND SUPPORT SERVICES AGREEMENT – COMPUTER SOFTWARE AND SERVICES FOR THE CITY OF SANTA FE; SUNGARD PUBLIC SECTOR, INC. (CARYN FIORINA)
9. REQUEST FOR APPROVAL OF JOINT POWERS AGREEMENT – JUVENILE DAY REPORTING PROGRAM SERVICES; COUNTY OF SANTA FE (RICHARD DEMELLA)
10. REQUEST FOR APPROVAL OF JOINT POWERS AGREEMENT – DROP OFF CENTER JUVENILE SERVICES OF SANTA FE; COUNTY OF SANTA FE (RICHARD DEMELLA)
11. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – CITY'S WATER RIGHTS TRANSFER PROGRAM FOR WATER DIVISION; LEE WILSON & ASSOCIATES, INC. (DALE LYONS)
12. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – WATER UTILITY ENERGY EFFICIENCY PROJECT; AUTOMATION ELECTRIC, LLC (DALE LYONS)
13. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – GEOHYDROLOGIC OVERSIGHT OF THE CANADA WELL DRILLING PROJECT FOR WATER DIVISION; JOHN SHOMAKER & ASSOCIATES, INC. (CLAUDIA BORCHERT)
14. REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO PROFESSIONAL SERVICES AGREEMENT – SANTA FE RIVER TRAIL PROJECT FROM CAMINO ALIRE TO NM 599; WESTON SOLUTIONS (BRIAN DRYPOLCHER)



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15. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – HOMEWISE ENERGY LOAN PROGRAM; HOMEWISE (NICHOLAS SCHIAVO)
16. REQUEST FOR APPROVAL OF 2009 NEW MEXICO LEGISLATIVE GENERAL FUND APPROPRIATIONS (DAVID CHAPMAN)
 - A. REQUEST FOR APPROVAL OF PROVIDER CONTRACTS (VARIOUS VENDORS)
 - B. REQUEST FOR APPROVAL TO ESTABLISH PROJECT BUDGETS
17. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PARKING GARAGE DEVELOPMENT AGREEMENT TO INCLUDE CHANGE ORDER NO. 4A – RAILYARD COMPANY LLC. (ROBERT SIQUEROS)
 - A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – RAILYARD FUND
18. REQUEST FOR APPROVAL AND REVIEW – DEMOLITION OF RAILYARD BUILDING (PARCEL F 1); SANTA FE RAILYARD CORP. (ROBERT SIQUEROS)
19. A RESOLUTION PROHIBITING THE PURCHASE OF ALCOHOL WITH CITY FUNDS; AND DIRECTING THE CITY MANAGER TO AMEND THE CITY'S ADMINISTRATIVE POLICIES ACCORDINGLY (COUNCILOR CHAVEZ) (JEANNE PRICE)

Committee Review:

City Business & Quality of Life (Denied)	1/12/10
Council (scheduled)	1/27/10

Fiscal Impact – No

20. A RESOLUTION AMENDING TABLE 50, PAGE 45 OF THE IMPACT FEE CAPITAL IMPROVEMENTS PLAN AND LAND USE ASSUMPTIONS, 2007-2012 TO INCLUDE EIGHT LIFEPAK 15'S, FOR TRANSMITTING CARDIAC PATIENT DATA, AS PLANNED FIRE/EMS IMPROVEMENTS. (MAYOR COSS AND COUNCILOR TRUJILLO) (BRIAN CALDWELL)

Committee Review:

Capital Improvements Advisory Committee	1/14/10
Council (scheduled)	1/27/10

Fiscal Impact – Yes



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- A. REQUEST FOR APPROVAL OF PROCUREMENT FOR EIGHT (8) LIFEPAK 15'S FOR FIRE DEPARTMENT THROUGH IMPACT FEE CAPITAL IMPROVEMENTS PLAN AND LAND USE ASSUMPTIONS (BRIAN CALDWELL)

21. A RESOLUTION HONORING THE SACRIFICE OF VETERANS AND THEIR FAMILIES BY PETITIONING NEW MEXICO'S CONGRESSIONAL DELEGATION TO SEEK TO REPEAL PUB. L. 106-117, TITLE VI, §612, NOV. 30, 1999, 113 STAT. 1580, WHICH PROVIDED THAT "THE SECRETARY OF VETERANS AFFAIRS MAY PROVIDE FLAT GRAVE MARKERS AT THE SANTA FE NATIONAL CEMETERY, NEW MEXICO" AND SEEK ADOPTION OF A NEW LAW THAT WOULD REQUIRE THE SECRETARY OF VETERANS AFFAIRS TO REPLACE THE EXISTING FLAT GRAVE MARKERS WITH THE UPRIGHT GRAVE MARKERS AT THE SANTA FE NATIONAL CEMETERY AND THAT IN THE FUTURE ONLY UPRIGHT HEADSTONES SHALL BE PLACED AT THE SANTA FE NATIONAL CEMETERY (COUNCILOR TRUJILLO) (JEANNE PRICE)

Committee Review:

Public Works (Approved)

1/11/10

Council (scheduled)

1/27/10

Fiscal Impact – No

22. A RESOLUTION CREATING A TRAUMA SUPPORT UNIT UNDER THE SANTA FE POLICE DEPARTMENT. (MAYOR COSS AND COUNCILORS CHAVEZ, ORTIZ, TRUJILLO, ROMERO, BUSHEE, WURZBURGER, DOMINGUEZ AND CALVERT) (POLICE CHIEF ARIC WHEELER)

Committee Schedule:

Public Safety (scheduled)

1/21/10

Council (scheduled)

1/27/10

Fiscal Impact – Yes

END OF CONSENT AGENDA

MATTERS FROM THE COMMITTEE

23. 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, January 19, 2010**

<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: JANUARY 4, 2010, REGULAR FINANCE COMMITTEE MEETING	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
A RESOLUTION PROHIBITING THE PURCHASE OF ALCOHOL WITH CITY FUNDS, AND DIRECTING THE CITY MANAGER TO AMEND THE CITY'S ADMINISTRATIVE POLICIES ACCORDINGLY	Denied	5
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>INFORMATIONAL ITEMS</u>		
<u>UPDATE ON CITY BUDGET PROCESS</u>		
PEER REVIEW TEAM PRESENTATIONS.		
INTRODUCTION TO PEER REVIEW PROCESS	Information	5
PEER REVIEW TEAM 3 PRESENTATION – CONVENTION AND VISITORS BUREAU	Presentation/discussion/direction	5-10
UPDATE AND REQUEST FOR APPROVAL OF WATER DIVISION RESPONSE TO PEER REVIEW TEAM 1 RECOMMENDATIONS FOR THE PUBLIC UTILITIES DEPARTMENT, PRESENTED ON JANUARY 4, 2010, FINANCE COMMITTEE MEETING	Approved	10-11

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010 AND FISCAL YEAR 2010-2011.		
REVENUE AND ECONOMY UPDATE AND DISCUSSION OF BUDGET CALENDAR	Information/discussion/direction	11-13
BUDGET CALENDAR	Information/discussion/direction	11-13
CONTINGENCY PLAN STATUS	Information/discussion/direction	11-13
STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011		
CONTRACT REDUCTIONS	Information/discussion	13
CONTINGENCY PLANNING	No discussion	13
PRESENT RESTRUCTURING COMMITTEE PLAN	No discussion	13
MATTERS FROM THE COMMITTEE	None	13
ADJOURN		13

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**

Tuesday, January 19, 2010

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, January 4, 2010, 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 Carmichael A. Dominguez
Councilor Rebecca Wurzbarger

MEMBERS EXCUSED:

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

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve the agenda, as published.

VOTE: The motion was approved on a voice vote, with Councilors Wurzbarger and Dominguez voting in favor of the motion, none against and Councilor Calvert absent for the 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 on a voice vote, with Councilors Wurzburger and Dominguez voting in favor of the motion, none against and Councilor Calvert absent for the vote.

CONSENT AGENDA

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 - A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – RAILYARD FUND
18. REQUEST FOR APPROVAL AND REVIEW – DEMOLITION OF RAILYARD BUILDING (PARCEL F-1); SANTA FE RAILYARD CORP. (ROBERT SIQUEIROS)
19. *[Removed for discussion by Councilor Dominguez]*
20. A RESOLUTION AMENDING TABLE 50, PAGE 45 OF THE IMPACT FEE CAPITAL IMPROVEMENTS PLAN AND LAND USE ASSUMPTIONS, 2007-2012 TO INCLUDE EIGHT LIFEPAK 15'S, FOR TRANSMITTING CARDIAC PATIENT DATA, AS PLANNED FIRE/EMS IMPROVEMENTS (MAYOR COSS AND COUNCILOR TRUJILLO). (BRIAN CALDWELL)
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Committee Review: Capital Improvements Advisory Committee 01/14/10; and Council (scheduled) 01/27/10. Fiscal Impact – Yes.

21. A RESOLUTION HONORING THE SACRIFICE OF VETERANS AND THEIR FAMILIES BY PETITIONING NEW MEXICO'S CONGRESSIONAL DELEGATION TO SEEK TO REPEAL PUB. LAW 106-117, TITLE VI, §612, NOV. 30, 1999, 113 STAT. 1580, WHICH PROVIDED THAT "THE SECRETARY OF VETERANS AFFAIRS MAY PROVIDE FLAT GRAVE MARKERS AT THE SANTA FE NATIONAL CEMETERY, NEW MEXICO," AND SEEK ADOPTION OF A NEW LAW THAT WOULD REQUIRE THE SECRETARY OF VETERANS AFFAIRS TO REPLACE THE EXISTING FLAT GRAVE MARKERS WITH THE UPRIGHT GRAVE MARKERS AT THE SANTA FE NATIONAL CEMETERY AND THAT IN THE FUTURE, ONLY UPRIGHT HEADSTONES SHALL BE PLACED AT THE SANTA FE NATIONAL CEMETERY (COUNCILOR TRUJILLO). (JEANNE PRICE). Committee Review: Public Works (Approved) 01/11/10; and Council (scheduled) 01/27/10. Fiscal Impact – No.
22. A RESOLUTION CREATING A TRAUMA SUPPORT UNIT UNDER THE SANTA FE POLICE DEPARTMENT (MAYOR COSS AND COUNCILORS CHAVEZ, ORTIZ, TRUJILLO, ROMERO, BUSHEE, WURZBURGER, DOMINGUEZ AND CALVERT). (POLICE CHIEF ARIC WHEELER) Committee Schedule: Public Safety (scheduled) 01/21/10; and Council (scheduled) 01/27/10. Fiscal Impact – Yes.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: JANUARY 4, 2010, REGULAR FINANCE COMMITTEE MEETING

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve the minutes of the Regular Finance Committee Meeting of January 4, 2010, as presented.

VOTE: The motion was approved on a voice vote, with Councilors Wurzbarger and Dominguez voting in favor of the motion, none against and Councilor Calvert absent for the vote.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to amend the agenda to hear Item #19 from the Consent Agenda next, and to approve the agenda as amended.

VOTE: The motion was approved on a voice vote, with Councilors Wurzbarger and Dominguez voting in favor of the motion, none against and Councilor Calvert absent for the vote.

CONSENT CALENDAR DISCUSSION

19. **A RESOLUTION PROHIBITING THE PURCHASE OF ALCOHOL WITH CITY FUNDS, AND DIRECTING THE CITY MANAGER TO AMEND THE CITY'S ADMINISTRATIVE POLICIES ACCORDINGLY (COUNCILOR CHAVEZ). (JEANNE PRICE. Committee Review: City Business & Quality of Life (Denied) 01/12/10; and Council (scheduled) 01/27/10. Fiscal Impact – No.**

Councilor Wurzbarger said this request was heard at the Business & Quality of Life [BQL] Committee on January 12, 2010, noting there was a very detailed discussion on this particular item at that Committee. She said there was unanimous approval by the BQL Committee that this is not necessary, and that it could hamper the few occasions when we need to entertain people, such as the King of Spain.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to deny this request, with direction to staff that the relevant portions of these Finance Committee minutes and the minutes of the meeting of the Business & Quality of Life Committee of January 12, 2010, be included with this item when it is sent forward to the City Council.

VOTE: The motion was approved on a voice vote, with Councilors Wurzbarger and Dominguez voting in favor of the motion, none against and Councilor Calvert absent for the vote.

END OF CONSENT CALENDAR DISCUSSION

INFORMATIONAL ITEMS

6. **UPDATE ON CITY BUDGET PROCESS. (DAVID MILLICAN)**
- A. **PEER REVIEW TEAM PRESENTATIONS.**
1. **INTRODUCTION TO PEER REVIEW PROCESS.**

Chair Ortiz said the Peer Review Team introduction to the Peer Review process was done at the previous meeting and does not need to be done again.

Mr. Millican noted that Peer Review Team looking at Community Services was unable to attend this meeting, because one of the members was ill, so it will be presented at a future meeting.

2. **PEER REVIEW TEAM 3 PRESENTATION –CONVENTION AND VISITORS BUREAU. (BARB BOLTREK)**

A copy of "Peer Evaluation Team 3 Recommendations – Convention & Visitors Bureau (CVB),"

is incorporated herewith to these minutes as Exhibit "1," and replaces the information in the Committee packet.

Kate Noble spoke about the process, and introduced the team – Barbara Boltrek, Lee DePietro, Nancy Jimenez and Felipe Trujillo, and thanked them for their work.

Councilor Calvert arrived at the meeting

Barb Boltrek presented information from Exhibit "1." Please see Exhibit "1" for specifics of this presentation.

The Committee members commented, asked questions and made suggestions, and staff responded as follows:

- Responding to the Chair, Ms. Boltrek said currently, there are three people in the CVB mail room, and the team recommended that two remain with CVB funding, and to reassign the 3rd person.
- Chair Ortiz asked if the numbers include benefits. Ms. Boltrek said the Team felt it best not to pinpoint a specific position, and did an average, and it does not contain benefits.
- *[Chair Ortiz's question here is inaudible because his microphone was not turned on]*
- *[Chair Ortiz's comments here are inaudible because his microphone was not turned on]*
- Responding to the Chair, Ms. Boltrek said, on the current organizational chart, the team felt that the Convention Center Administrator and the Operations Manager who answers to that position, could be combined.
- Chair Ortiz noted that the handout [Exhibit "1"] was to replace the one in the packet, noting the only change he could find between the two is it increased from 3 to 8 bullets. Ms. Boltrek said this is correct, because when the Team met with the Restructuring Committee, they had some good advice on how to be more specific and the Team tried to do that.
- Councilor Wurzburger would like both Keith Toler and Darlene Griego to comment on these recommendations.
- Councilor Wurzburger said there are 8 points of potential savings, some are significant, and asked Mr. Toler his thoughts. She said she isn't making any value statements, nor trying to create dissension between the report and staff, but if there is, she would like to know about it.
- Keith Toler said he has just seen the report, but his initial response is that combining the two positions might be a good solution in the future. However, currently with the building and all the new contracts that are "up and running," and the need to negotiate new contracts, it would be too much for one person to handle at this point in time. However, it might be a viable option later

"down the road.." He said they are putting together some new customer service training, both the front line Visitors Center staff as well as the staff at the specialist level. He said in looking at the marketing and sales expenses for regeneration, they do this on an ongoing bases. The 2009 Annual Report has just been completed, and the Committee will be receiving the 105 page report via email tomorrow. He would like to have time look at the recommendations further before getting into any detail..

- Councilor Wurzbarger asked Ms. Boltrek if the Team recommendation for an additional report is over and above the one we're receiving tomorrow. Ms. Boltrek said no, noting they had received a draft during their work which indicated that the employees weren't seeing the results of the report. Councilor Wurzbarger said, then the Team isn't asking for any kind of independent analysis of the report we're getting. Ms. Boltrek said no, she doesn't believe that is necessary.
- Darlene Griego said she just learned about the recommendations today. She agrees with Mr. Toler that this probably is the way it should go "down the road." She said they have been in the building only a little more than a year. During that time they have dealt with warranty issues, and now are almost done with the maintenance agreements, noting they are working on the last one for the heating and cooling. She said they received bids from three different companies – the lowest at \$600, and the lowest was \$667,000. They are working through all of these things right now. She said the combination of the two positions probably would be okay in 6-12 months. She said she came back to the City to finish this project to get it "up and running," and to get staffing where it should be. She believes they are almost at that place.

Councilor Wurzbarger said she is encouraged to hear about the maintenance, because we can't do "another GCCC," and she wants to see those maintenance contracts in place and to be ahead of the curve, noting this is for the record.

- Councilor Calvert asked if all 27 positions on the current organizational chart are filled. Ms. Boltrek said yes. She understands the temporary employees will be "going away" now that they've hired additional convention specialists.
- Councilor Calvert referred to the efficiencies identified in the report in the packet, "As equipment and building systems warranty periods have expired; structure of operations and negotiation of new maintenance contracts (in-house and outsourced) is critical, additional building systems training will minimize outsourcing and need for overtime." He said he thought we were trying to consolidate some of that under the Public Works Department. He said the GCCC Report spoke about similarity of equipment. We wanted to be sure they used the "same ones so that they would be more easily maintained," and asked Mr. Romero to comment.

Mr. Romero said one position was assigned to keeping the building up and running – one mechanical specialist position – that position is now part of the facilities maintenance team, so there is more than one person who is familiar with maintaining the building. He said they are looking at installing the exact same control system that is in this building at the GCCC, so there is more than one person who knows how to operate it when someone is out, or sick.

Councilor Calvert said he thought the combination was made so there was a pool of people doing this, and people weren't specifically assigned to a certain place, and you could draw anyone from the pool and send them where needed. Mr. Romero said this is correct, noting it is for the mechanical systems and not for the day-to-day operations of moving chairs, etc. It is set up that way right now. He said there are several contracts for maintenance, and the warranty period has passed, so staff will be working on all this. He said he asked Martin Valdez to share a list of the contracts in place. Mr. Romero said he wants to be sure we don't have the same problems at the Convention Center that we experienced at the GCCC. He said every single contract isn't in place, but they are working on them.

- Responding to Councilor Calvert, Mr. Romero said the maintenance contracts are for situations where the equipment/system isn't operating as it should, noting the staff isn't trained to work on the refrigeration, for example. He said he is hoping to get the employees trained/licensed to take on some of these responsibilities, which is a goal of the group. Responding to Councilor Calvert, Mr. Romero said if there are staff who are qualified to maintain the equipment, they can do so. Councilor Calvert said he is speaking of daily, routine maintenance.

Ms. Boltrek said there was a lot of frustration with the employees, because there was only one person with the knowledge of maintenance in the building. The team felt it was important to stress the fact that it would be good to have more people trained to handle things, but not assigned to a specific facility.

- Councilor Calvert referred to the last bullet on page 5 [in the report in the packet], "Analyze marketing and sales expenses, including travel, to determine the effectiveness of the marketing and sales strategy and be able to accurately quantify results." He said he has been asking for this for a while. He believes we do have to have some sort of measure of the effectiveness.
- Councilor Calvert said we will need to keep track of the positions which are combined, reassigned, etc., because if we just keep moving them around, we won't have any savings. He said in looking at the current organizational chart, he was astounded that managers were reporting to supervisors and supervisors to managers, and wasn't sure how that worked. He said we definitely need to reorganize and consolidate some of the managerial positions to realize savings.
- Councilor Dominguez said, when we talk about analyzing the rate structure of the convention center for more flexibility, that is along the lines of giving the organization the opportunity to generate revenue which we hope happens. He asked Ms. Boltrek to talk about that bullet. Ms. Boltrek said this came about from the frustration of the feeling that the building was not accessible to some of the local organizations. The Team looked at the Convention Center Mission Statement which doesn't specifically address this as a money making operation. The Team felt there might be some flexibility to allow more, different kinds of groups to come in, if the goal is not just to make money.

- Councilor Dominguez asked if this was the only context of the discussions, in terms of generating revenues. Ms. Boltrek reiterated that it came from the frustration of employees of not being able to have more business there – to share the space essentially.

Councilor Dominguez said he has heard that same frustration in comments from the public. He is hoping the reorganization will address some of that, so we can look at that as well.

- Councilor Wurzbarger said she also has heard frustration from other Divisions in the City that they can't use space in the building. They have told her, even though it is the middle of the day and the Convention Center is empty, it is going to cost \$150 to use a room for 12 people. She has heard this in three recent meetings his month. She wants to expand consideration of our collective use of the Convention Center and how we charge for that.
- Councilor Wurzbarger said she recalls, in the GCC discussion, that because "we did, meaning our staff, did whatever we did, that we then invalidated the warranty and then the people weren't going to come back and take care of the problem. I thought that was around the mechanical system. Did I imagine that at a Council meeting. Okay, so whether it happened there or not, I just want to be very wary of that – that we do want to take it on ourselves and have the internal capacity to make certain that we don't do something in the meantime... something about the roof."
- Chair Ortiz said the process we've been following is that after presentation to this Committee, the department/division will have the opportunity to look at the report, prepare a response and/or submit additional information. Then it comes back to this Committee as an action item, and the Committee decides what, if any of the recommendations will move forward.

Chair Ortiz said an ongoing issue with sales staff for 10 years is why they are employees and not on contract to generate revenue. He said this is something to consider in these lean times. He said his concern with the proposed efficiencies which have been identified, it that it is the lower paid people who would be subject to reshuffling. He said they may be over-staffed in this department at the top end, and this can be seen in the comments where it says "lack of accountability." However, in the recommendations, there are a number of people who would be reshuffled out.

Chair Ortiz said, in addition to marketing and sales expenses, staffing expenses come to mind. He believes a different way of doing sales staff needs to be explored. He said we started that process when we had the contract for the out-of-state person where we built specific performance objectives into the contract, and the contract would expire if those weren't met.

Chair Ortiz said, although it wasn't a part of the report, there is a precipitous fall in Lodger's Tax which means additional funds will be needed to buttress the decline in Lodger's Tax – from CIP, GRTs or reserves – to cover the debt on the new Convention Center. He said this Department has a critical need to find efficiencies and cost savings now and into the future.

- Chair Ortiz said this department has the opportunity to prepare a response to this evening's discussion at the next meeting, and the Committee then will make recommendations. He said this Team did a great job, noting he has been impressed with the work of all of the Teams to this point.
- Responding to Councilor Calvert, Ms. Boltrek said the Team did consult with Nick Schiavo, but he didn't have time to do an analysis. However, he did some research on it and gave a ballpark figure of 15%, which is what they used.
- Councilor Calvert spoke about the proposal that the sales persons would meet a quota or not be paid. He believes they could be paid on the basis of performance – if they meet the quota they are paid in full, if not, they would be paid a reduced amount. He said otherwise, we might not get anyone to bid on this. Ms. Boltrek that's what they were thinking – give them a retainer and if they didn't meet the quota, then pay would be based on what they did produce.

Mr. Millican said this is an operational review, but the comment that the Convention Center is operating at a loss is important, noting there is a projected loss this year of \$250,000, but performance has been weaker than that estimate. There is a reserve of \$1.6 million to begin FY 2010 to absorb those losses.

Chair Ortiz said if the Lodger's Tax continues to decline, the reserve will be gone in 2-3 years.

Mr. Millican agreed, saying the business plan has to change for everything to work.

Chair Ortiz said, if this was the Marty Sanchez complex or another facility, they would have to go through a number of business plans to mitigate the loss. He said, "For those of us who were critical of the plan when we approved this facility with the bond structure that was put into place, it seems to me like we can't just rely on those reserves, because those reserves are going to be out. And, then in year four, we're going to have the same situation as we faced with the water company, which is, we used up all the reserves because our business plan wasn't solid and we found ourselves in a place where we had to completely restructure. And in the water company case, we had a reliable revenue source and we had a customer base. And here, still developing. We were told to give it time. It's been about a year, so we have to have some improvements to the plan for the better."

3. UPDATE AND REQUEST FOR APPROVAL OF WATER DIVISION RESPONSE TO PEER REVIEW TEAM 1 RECOMMENDATIONS FOR THE PUBLIC UTILITIES DEPARTMENT, PRESENTED ON JANUARY 4, 2010, FINANCE COMMITTEE MEETING. (BRIAN SNYDER)

Bryan Snyder said he has nothing else to add to the information in his Memorandum of January 11, 2010.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to accept the recommendations as presented by Brian Snyder, and move these forward through the budget process, to implement those

items which can be done immediately, and the other recommendations be incorporated as the Finance Committee recommendation which would then proceed to the City Council, along with all of the recommendations for the departments.

DISCUSSION: Councilor Calvert said some of the immediate actions will also carry over in the budget process.

Chair Ortiz agreed. He said, however, if they can be done immediately, we should do them.

Mr. Millican said staff anticipates collecting all the Committee's recommended actions and preparing a complete report to the Council of those recommendations. He said this will become part of the Finance Committee's recommendations to the City Council to approve the direction given to staff for the construction of the 2011 budget using these recommendations, except to the extent that they are immediately possible and can be implemented immediately where savings can be realized.

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

B. PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010 AND FISCAL YEAR 2010-2011.

- 1. REVENUE AND ECONOMY UPDATE AND DISCUSSION OF BUDGET CALENDAR**
- 2. BUDGET CALENDAR**
- 3. CONTINGENCY PLAN STATUS.**

Items 6(B)(1) through (3) were combined for purposes of presentation and discussion.

A copy of "Budget Calendar – FY 2010/11," is incorporated herewith to these minutes as Exhibit "2."

Mr. Millican reviewed the information in the GRT update, dated January 15, 2010, which is in the Committee packet. Please see this document for specifics of this presentation. He said this is 3.1% below budget and an improvement, but not trending up. He said staff can produce a contingency plan to present to the Committee on February 1, 2010. He said it is likely that the City can absorb the \$1 million shortfall without taking extreme measures. He said there will be a more difficult budget situation in 2010/2011, because of the transfers and use of reserves, as well as dealing with the renegotiation of labor contracts. He said a big portion of the revenue shortfall may be made-up by under-expenditure of personnel costs, but he can't confirm this figure until the general ledger entries from payroll are posted.

Councilor Wurzbarger asked Mr. Millican to clarify his assumptions which cause him to believe that the shortfall will be only \$1.5 million, based on the November GRTs.

Mr. Millican said if it is at \$1.1 million, it means the remaining 5 months of the year would come in at budget.

Councilor Wurzbarger said then we are at-budget for the first time in five months, and we are saying that the next five months will be positive in terms of revenue. She said it had appeared to her that there was the possibility of a shortfall of \$3-4 million.

Mr. Millican said a \$2 million shortfall would result from an under-collection of \$125,000 per month between now and the end of June 2010.

Councilor Wurzbarger said Mr. Millican must think something different is going to happen after this month, and she doesn't understand what that is.

Mr. Millican said we have been seeing good information about December in terms of the economy, to the extent it would be reflected here. He said next month's check can change the assumptions in a big way, but staff believes the economy is improving. He said the biggest unknown issue is how the extended low employment is going to impact revenues in Santa Fe. He said if it has a disproportionate effect relative to the general economy's performance, then the City will have to deal with that.

Councilor Wurzbarger said she will wait until next month to see what happens.

Mr. Millican said if there had been double digit decreases during this month and the 5 remaining months in the budget, then the amount would have been in the range of \$3-4 million discussed previously.

Councilor Wurzbarger asked if the contingency plan is based on the scenario of things getting better.

Mr. Millican said it will be based on the \$1-2 million shortfall, unless the Committee wants to see a \$3-4 million solution.

Councilor Wurzbarger prefers to have alternative scenarios, and not just one.

Chair Ortiz asked if the \$1-2 million shortfall range is wide-enough for staff to consider in preparing a contingency plan, or do you want to expand it to the high side. He asked if the time frame is sufficient.

Councilor Wurzbarger said she is comfortable with the timing, but wants to see a little bit of a start on a worse case scenario if the assumption doesn't prove to be true. Her direction to staff would be another push to look at options if the shortfall is more than \$1-2 million.

Councilor Calvert concurred. If we "string this out," in a linear fashion, then our options are limited. He would like to see other options as soon as possible.

Councilor Dominguez said he is okay with the directive, commenting that some things need to come sooner than later.

Chair Ortiz said there is a contingency plan presentation, but there is no decision-point as to which plan with which we are more comfortable. Chair Ortiz said the next GRT check will determine the direction we take, and we should have that information by the next meeting on February 15th. Chair Ortiz proposed adding to the calendar, a recommendation from Committee on the plan on February 15th.

Chair Ortiz expressed concern about the 10 day window on the budget calendar..

Mr. Millican said we can't start earlier than April 20, 2010, but must finish by May 26, 2010.

Chair Ortiz asked staff and the Committee to think about a schedule which works. He said what we adopt on February 24th at the Council will inform this process.

C. STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011.

1. CONTRACT REDUCTIONS

Chair Ortiz asked the status of the contract reductions.

Mr. Millican said staff has been the most effective in reducing contract costs in the process of renewal and the formation of new contracts. However, it hasn't been successful on all contracts. He said the real focus now is to do scope reductions and/or direct cost negotiations to achieve savings going forward, and to deal with the potential for increases in rates in the face of scope reductions.

Councilor Wurzbarger said she likes the idea of scope reductions.

2. CONTINGENCY PLANNING

3. PRESENT RESTRUCTURING COMMITTEE PLAN

MATTERS FROM THE COMMITTEE

There were no matters from the Committee.

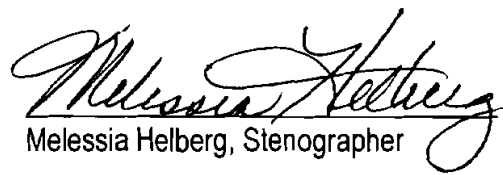
19. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 6:30 p.m.

Matthew E. Ortiz, Chair

Reviewed by:

David N. Millican, Director
Department of Finance



Melessia Helberg, Stenographer