



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
FEBRUARY 15, 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 2-12-10 TIME 2:05

SERVED BY Laura V. S.

RECEIVED BY [Signature]

FEBRUARY 1, 2010

INFORMATIONAL ITEM

6. UPDATE ON CITY BUDGET PROCESS (DAVID MILLICAN)
 - A. PEER REVIEW TEAM PRESENTATIONS
 1. PEER REVIEW TEAM 4 PRESENTATION – LAND USE (THOMAS WILLIAMS) – POSTPONED TO MARCH 1, 2010
 2. PEER REVIEW TEAM 3 PRESENTATION – GENERAL GOVERNMENT (BARB BOLTREK) POSTPONED TO MARCH 1, 2010
 3. PEER REVIEW TEAM 1 PRESENTATION – FINANCE AND ADMINISTRATIVE SERVICES (RICHARD MARES & MARGARET BACA)
 4. UPDATE AND REQUEST FOR APPROVAL OF WASTEWATER MANAGEMENT DIVISION DIRECTOR'S QUANTIFICATION OF RECOMMENDATIONS FROM PEER REVIEW TEAM 2 EVALUATION PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING (BRYAN ROMERO)
 5. UPDATE AND REQUEST FOR APPROVAL OF SOLID WASTE RESPONSE TO PEER REVIEW TEAM 2 RECOMMENDATIONS PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING (BILL DEGRANDE)



6. UPDATE AND REQUEST FOR APPROVAL OF COMMUNITY SERVICES RESPONSE TO PEER REVIEW TEAM 4 RECOMMENDATIONS PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING (TERRI RODRIGUEZ)
- B. PROPOSALS TO IMPLEMENT BUDGET BALANCING MEASURES FOR FISCAL YEAR 2009/2010 AND FISCAL YEAR 2010-2011
 1. REVENUE AND ECONOMY UPDATE
 2. MID-YEAR REVIEW AND CONTINGENCY PLAN STATUS – POSTPONED TO MARCH 1, 2010
- 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
- D. CLASSIFICATION AND COMPENSATION STUDY – REPORT AND RECOMMENDATIONS BY EVERGREEN SOLUTIONS, LLC (VICKI GAGE)

CONSENT AGENDA

7. BID NO. 10/09/B – FRENCHY’S AND LARRAGOITE PARKS RENOVATION PHASE 2; HEADS UP LANDSCAPE CONTRACTORS, (BEN GURULE)
8. REQUEST FOR APPROVAL OF CHANGE ORDERS NO.’S 1 AND 2 – CONSTRUCTION AND ENGINEERING SERVICES ASSOCIATED WITH CANYON ROAD WATER TREATMENT PLANT IMPROVEMENTS; WEAVER GENERAL CONSTRUCTION COMPANY AND ENVIRONMENTAL ENGINEERING & TECHNOLOGY, INC. (STEPHANIE REYNOLDS)
9. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – SANTA FE CANYON HYDROPOWER PROJECT; AECOM TECHNICAL SERVICES, INC. (DALE LYONS)
10. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO EXTEND LEASE AGREEMENT – SPACE COMMONLY KNOWN AS SUITE 100 AT 125 LINCOLN AVE.; FIRST INTERSTATE PLAZA ASSOCIATES LIMITED PARTNERSHIP (EDWARD VIGIL)



11. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO SOLICIT NAMES OF INDIVIDUALS FOR THE PURPOSE OF RENAMING LA RESOLANA PARK LOCATED ON CAMINO DEL GUSTO IN SANTA FE, NEW MEXICO. (COUNCILOR DOMINGUEZ) (FABIAN CHAVEZ)

Committee Review

Public Works (Approved)	2/8/10
Council (Scheduled)	2/24/10

Fiscal Impact – No

12. REQUEST FOR APPROVAL OF A RESOLUTION IN SUPPORT OF A COOPERATIVE AGREEMENT BETWEEN THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) AND THE CITY OF SANTA FE (CITY) FOR THE DESIGN, CONSTRUCTION AND MAINTENANCE OF VARIOUS PEDESTRIAN AND BICYCLE TRAILS WITHIN NMDOT RIGHT-OF-WAY ON ST. FRANCIS DRIVE IN THE CITY OF SANTA FE. (COUNCILOR BUSHEE) (LEROY PACHECO)

- A. REQUEST FOR APPROVAL OF A COOPERATIVE AGREEMENT – VARIOUS PEDESTRIAN AND BICYCLE TRAILS WITHIN RIGHT-OF-WAY ON ST. FRANCIS DRIVE; NEW MEXICO DEPARTMENT OF TRANSPORTATION

Committee Review

Public Works (Approved)	2/8/10
Council (Scheduled)	2/24/10

Fiscal Impact – No

13. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE RAILYARD STEWARDS EFFORTS AT THE RAILYARD PARK AND DIRECTING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE RAILYARD STEWARDS TO PROVIDE SERVICES FOR THE RAILYARD PARK. (COUNCILOR WURZBURGER, MAYOR COSS AND COUNCILOR ROMERO) (BOB SIQUEROS)

Committee Review

Public Works (Approved)	2/8/10
Council (Scheduled)	2/24/10

Fiscal Impact – Yes



14. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A **PRINCIPAL AMOUNT OF NO MORE THAN ONE HUNDRED SIXTY-ONE THOUSAND EIGHT HUNDRED SEVEN DOLLARS (\$161,807)**, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN **FOR THE PURPOSE OF FINANCING THE COSTS OF UPGRADES TO THE GOVERNMENTAL UNIT’S WATER UTILITY SYSTEM, INCLUDING SPECIFICALLY A MICRO-HYDROELECTRIC POWER GENERATION PROJECT**; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT. (COUNCILOR CALVERT) (DALE LYONS)
- 1) REQUEST FOR APPROVAL OF DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT (NO. 2431-DW); NEW MEXICO FINANCE AUTHORITY
- a) REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND

Project #2431-DW

Committee Review

Public Utilities (Cancelled)	2/3/10
Council (Scheduled)	2/24/10

Fiscal Impact – Yes

15. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE “LENDERS/GRANTORS”) AND THE CITY OF SANTA FE (THE “BORROWER/GRANTEE”), **IN THE**



AMOUNT OF ONE MILLION THREE HUNDRED TWENTY-FOUR THOUSAND FOUR HUNDRED SIXTY DOLLARS (\$1,324,460), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE BORROWER/GRANTEE'S WATERSHED MANAGEMENT PROJECT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT. (COUNCILOR WURZBURGER) (DALE LYONS)

- 1) REQUEST FOR APPROVAL OF WATER PROJECT FUND LOAN/GRANT AGREEMENT (NO. 171- WTB); NEW MEXICO FINANCE AUTHORITY

- a) REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND

Committee Review

Council (Request to Publish)	2/24/10
Public Utilities (Scheduled)	3/3/10
Council (Public Hearing)	3/31/10

Fiscal Impact – Yes

16. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS") AND THE CITY OF SANTA FE (THE "BORROWER/GRANTEE"), **IN THE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF THE BUCKMAN SURFACE WATER DIRECT DIVERSION PROJECT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE**



Agenda

FINANCE COMMITTEE MEETING
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LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT. (COUNCILOR WURZBURGER) (ALAN HOOK)

- 1) REQUEST FOR APPROVAL OF WATER PROJECT FUND LOAN/GRANT AGREEMENT (NO. 170- WTB); NEW MEXICO FINANCE AUTHORITY
 - a) REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND

Committee Review

Council (Request to Publish)	2/24/10
Public Utilities (Scheduled)	3/3/10
Council (Public Hearing)	3/31/10

Fiscal Impact – Yes

17. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FIRST QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2009/2010 (CAL PROBASCO)

END OF CONSENT AGENDA

DISCUSSION

18. REQUEST FOR APPROVAL A RESOLUTION DIRECTING STAFF TO REVIEW THE EXISTING RATES FOR USE OF THE SANTA FE COMMUNITY CONVENTION CENTER IN ORDER TO ENCOURAGE LOCAL EVENTS. (COUNCILOR CHAVEZ) (KEITH TOLER)

Committee Review

Public Works (Denied)	2/8/10
Council (Scheduled)	2/24/10

Fiscal Impact – Yes

19. MATTERS FROM THE COMMITTEE
20. 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, February 15, 2010

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-5
APPROVAL OF MINUTES: FEBRUARY 1, 2010 REGULAR FINANCE COMMITTEE MEETING	Approved	5
<u>INFORMATIONAL ITEMS</u>		
UPDATE ON CITY BUDGET PROCESS		
PEER REVIEW TEAM PRESENTATIONS.		
PEER REVIEW TEAM 4 PRESENTATION – LAND USE	Postponed to 03/01/2010	5
PEER REVIEW TEAM 3PRESENTATION – GENERAL GOVERNMENT	Postponed to 03/01/2010	5
PEER REVIEW TEAM 1 PRESENTATION – FINANCE AND ADMINISTRATIVE SERVICES	Direction to staff	5-9
UPDATE AND REQUEST FOR APPROVAL OF WASTEWATER MANAGEMENT DIVISION DIRECTOR'S QUANTIFICATION OF RECOMMENDATIONS FROM PEER REVIEW TEAM 2 EVALUATION PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING	Approved portion/direction to staff	9-12
UPDATE AND REQUEST FOR APPROVAL OF SOLID WASTE RESPONSE TO PEER REVIEW TEAM 2 RECOMMENDATIONS PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING	Direction to staff	12-14
UPDATE AND REQUEST FOR APPROVAL OF COMMUNITY SERVICES RESPONSE TO PEER REVIEW TEAM 4 RECOMMENDATIONS, PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING	Approved portion/direction to staff	14-18

<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.	Postponed to 03/01/2010	18
REVENUE AND ECONOMY UPDATE AND DISCUSSION OF BUDGET CALENDAR	Postponed to 03/01/2010	18
MID-YEAR REVIEW AND CONTINGENCY PLAN STATUS	Postponed to 03/01/2010	18
STATUS UPDATE ON THREE (3) CONDITIONS FOR NEW BUDGET MEASURES FOR FISCAL YEAR 2010/2011	Postponed to 03/01/2010	18
CONTRACT REDUCTIONS	Postponed to 03/01/2010	18
CONTINGENCY PLANNING	Postponed to 03/01/2010	18
PRESENT RESTRUCTURING COMMITTEE PLAN	Postponed to 03/01/2010	18
CLASSIFICATION AND COMPENSATION STUDY – REPORT AND RECOMMENDATIONS BY EVERGREEN SOLUTIONS, LLC	Postponed to 03/01/2010	19-20
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO EXTEND LEASE AGREEMENT – SPACE COMMONLY KNOWN AS SUITE 100 AT 125 LINCOLN AV.; FIRST INTERSTATE PLAZA ASSOCIATES LIMITED PARTNERSHIP *****	Denied	20-21
END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO REVIEW THE EXISTING RATES FOR USE OF THE SANTA FE COMMUNITY CONVENTION CENTER IN ORDER TO ENCOURAGE LOCAL EVENTS	Failed to pass	21
MATTERS FROM THE COMMITTEE	Information/discussion	21
ADJOURN		22

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, February 15, 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, February 15, 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 Miguel Chavez
Councilor Carmichael A. Dominguez
Councilor Rebecca Wurzburger

OTHERS ATTENDING:

David Millican, Finance Director
Laura Vigil, 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 he understands we are not ready to hear Item 6(D) and Item 11 has been pulled from the agenda.

Mr. Millican said this is correct, and there are no further changes.

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

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

4. APPROVAL OF CONSENT AGENDA

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

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

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to amend the agenda to remove Item #10 from the Consent Agenda for discussion, and to approve the agenda as amended.

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

CONSENT AGENDA

7. **BID NO. 10/09/B – FRENCHY’S AND LARRAGOITE PARKS RENOVATION PHASE 2; HEADS UP LANDSCAPE CONTRACTORS. (BEN GURULE**
8. **REQUEST FOR APPROVAL OF CHANGE ORDER NOS. 1 AND 2 – CONSTRUCTION AND ENGINEERING SERVICES ASSOCIATED WITH CANYON ROAD WATER TREATMENT PLANT IMPROVEMENTS; WEAVER GENERAL CONSTRUCTION COMPANY AND ENVIRONMENTAL ENGINEERING & TECHNOLOGY, INC. (STEPHANIE REYNOLDS)**
9. **REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – SANTA FE CANYON HYDROPOWER PROJECT; AECOM TECHNICAL SERVICES, INC. (DALE LYONS)**
10. ***[Removed for discussion by Councilor Wurzbarger]***
11. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO SOLICIT NAMES OF INDIVIDUALS FOR THE PURPOSE OF RENAMING LA RESOLANA PARK LOCATED ON CAMINO DEL GUSTO IN SANTA FE, NEW MEXICO (COUNCILOR DOMINGUEZ). (FABIAN CHAVEZ). Committee Review: Public Works (Approved) 02/08/10; and Council (Scheduled) 02/24/10. Fiscal Impact – No.
This item was pulled from the Agenda.**

12. REQUEST FOR APPROVAL OF A RESOLUTION IN SUPPORT OF A COOPERATIVE AGREEMENT BETWEEN THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) AND THE CITY OF SANTA FE (CITY), FOR THE DESIGN, CONSTRUCTION AND MAINTENANCE OF VARIOUS PEDESTRIAN AND BICYCLE TRAILS WITHIN NMDOT RIGHT-OF-WAY ON ST. FRANCIS DRIVE IN THE CITY OF SANTA FE (COUNCILOR BUSHEE). (LEROY PACHECO).
- A. REQUEST FOR APPROVAL OF A COOPERATIVE AGREEMENT – VARIOUS PEDESTRIAN AND BICYCLE TRAILS WITHIN RIGHT-OF-WAY ON ST. FRANCIS DRIVE; NEW MEXICO DEPARTMENT OF TRANSPORTATION.
- Committee Review: Public Works (Approved) 02/08/10; and Council (Scheduled 02/24/10).
Fiscal Impact – No.
13. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE RAILYARD STEWARDS EFFORTS AT THE RAILYARD PARK AND DIRECTING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE RAILYARD STEWARDS TO PROVIDE SERVICES FOR THE RAILYARD PARK (COUNCILOR WURZBURGER, MAYOR COSS AND COUNCILOR ROMERO). (BOB SIQUEIROS). Committee Review: Public Works (Approved) 02/08/10; and Council (Scheduled) 02/24/10. Fiscal Impact – yes.
14. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT (“LOAN AGREEMENT”), BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A *PRINCIPAL AMOUNT OF NO MORE THAN ONE HUNDRED SIXTY-ONE THOUSAND EIGHT HUNDRED SEVEN DOLLARS (\$161.807)*, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A *LOAN FOR THE PURPOSE OF FINANCING THE COSTS OF UPGRADES TO THE GOVERNMENTAL UNIT’S WATER UTILITY SYSTEM, INCLUDING SPECIFICALLY A MICRO-HYDROELECTRIC POWER GENERATING PROJECT*; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT. (COUNCILOR CALVERT). (DALE LYONS)
- 1) REQUEST FOR APPROVAL OF DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT (NO. 2431-DW); NEW MEXICO FINANCE AUTHORITY.
- a) REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND. PROJECT #2431-DW). Committee Review: Public Utilities (Cancelled) 02/03/10; and Council (Scheduled) 02/24/10. Fiscal Impact – Yes.
15. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT, BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY

(THE "LENDERS/GRANTORS"), AND THE CITY OF SANTA FE (THE "BORROWER/GRANTEE") *IN THE AMOUNT OF ONE MILLION THREE HUNDRED TWENTY-FOUR THOUSAND FOUR HUNDRED SIXTY DOLLARS (\$1,324,460)*, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT *SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE BORROWER/GRANTEE'S WATERSHED MANAGEMENT PROJECT*, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT (COUNCILOR WURZBURGER). (DALE LYONS)

1) REQUEST FOR APPROVAL OF WATER PROJECT FUND LOAN/GRANT AGREEMENT NO. 171-WTB); NEW MEXICO FINANCE AUTHORITY).

a) REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.

Committee Review: Council (Request to Publish) 02/24/10; Public Utilities (Scheduled) 03/03/10; and Council (Public Hearing) 03/31/10. *Fiscal Impact – Yes.*

16. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT, BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS"), AND THE CITY OF SANTA FE (THE "BORROWER/GRANTEE") *IN THE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000)*, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT *SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF THE BUCKMAN SURFACE WATER DIRECT DIVERSION PROJECT*, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT (COUNCILOR WURZBURGER). (ALAN HOOK)

1) REQUEST FOR APPROVAL OF WATER PROJECT FUND LOAN/GRANT AGREEMENT NO. 170-WTB); NEW MEXICO FINANCE AUTHORITY).

a) REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.

Committee Review: Council (Request to Publish) 02/24/10; Public Utilities (Scheduled) 03/03/10; and Council (Public Hearing) 03/31/10. *Fiscal Impact – Yes.*

17. **REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FIRST QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2009/2010. (CAL PROBASCO)**

END OF CONSENT AGENDA

5. **APPROVAL OF MINUTES: FEBRUARY 1, 2010 REGULAR FINANCE COMMITTEE MEETING**

MOTION: Councilor Dominguez moved, seconded by Councilor Wurzbarger, to approve the minutes of the Regular Finance Committee Meeting of February 1, 2010, as presented.

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

INFORMATIONAL ITEMS

6. **UPDATE ON CITY BUDGET PROCESS. (DAVID MILLICAN)**

A. **PEER REVIEW TEAM PRESENTATIONS.**

1. **PEER REVIEW TEAM 4 PRESENTATION – LAND USE (THOMAS WILLIAMS) – POSTPONED TO MARCH 1, 2010.**

This item is postponed to March 1, 2010.

2. **PEER REVIEW TEAM 3PRESENTATION – GENERAL GOVERNMENT (BARB BOLTREK) – POSTPONED TO MARCH 1, 2010.**

This item is postponed to March 1, 2010.

3. **PEER REVIEW TEAM 1 PRESENTATION – FINANCE AND ADMINISTRATIVE SERVICES (RICHARD MARES & MARGARET BACA).**

Mr. Mares introduced the members of the Peer Review Team: Robert Romero, Margaret Baca, Andrea Petry and Richard Mares.

Richard Mares and Margaret Baca presented Information on this matter via power point. Please see power point presentation in the Committee packet for specifics of this presentation. Mr. Mares noted that the only unit which was not reviewed was Risk and Safety.

Chair Ortiz asked if the reason Risk & Safety was not reviewed is because it is under the City Manager.

Mr. Mares said Risk and Safety was not reviewed because they were asked not to do it because of the technical issues involved.

Mr. Millican said it was not so much technical issues as the fact that we really believe that Risk and Safety is not the source of many problems in the organization, with less potential to lead to the business system changes they were likely to find in other areas. There are technical issues related to understanding coverages, and this is not a time when you could get deep into insurance coverages or the decisions about how much self-insured retention to retain and such.

Chair Ortiz said there is an outstanding request which was made by the City Council some time ago to look at how Risk Management is being done, in the particular instance of legal contracts, and it would be of some practical benefit at some point. He noted Santa Fe County went out for RFP and saved over \$1 million in its Risk Management coverage, as well as getting more coverage than the City which is self-insured. He believes it would be beneficial at some point to look at every particular department for cost savings and not just Finance.

Mr. Millican said he is willing to bring that back as part of the normal budget deliberations. However, in this case, the Peer Review Team had a challenging assignment to cover the functions they did cover, because finance proper and ITT were the subject of a lot of interest.

Chair Ortiz thanked the Peer Review Team for its work and for giving some "meat" on the recommendations.

Councilor Chavez arrived at the meeting

Councilor Calvert said part of the recommendations being considered talk about moving Risk Management from Finance to Legal. He said it would inform the departing and accepting departments as to what they would be inheriting if this recommendation is to be approved.

The Committee commented, asked questions and gave direction as follows:

- Councilor Chavez asked if the proposed motor pool includes Police Department and vehicles used in the Police Department. Mr. Mares said the pool won't include a consolidation of the Police Department vehicles, although those vehicles will continue to be serviced through the Fleet Division.
- Councilor Chavez said then outsourcing would be addressed, the inventory for maintaining those vehicles would be addressed, and Mr. Mares said this is correct.
- Councilor Chavez said he received two phone calls from water customers who have had their service shut-off. He believes this practice is necessary in some cases. However, the feedback he's getting from customers is there doesn't seem to be adequate notification or follow-through from staff. He said there hasn't been timely response when these people tried to contact staff, so the customer can arrange to pay. He said it also appears there isn't appropriate notice that the service

is going to be shut-off. He asked that this be part of the discussion as we move forward in terms of notification, collection and remedy to assist the customers to get back on track.

- Mr. Mares said this is part of the reason the Team recommended the “customer service training and the issues of water, wastewater and solid waste be given, so that the representatives are thoroughly trained in the issues involved in those areas.”
- Councilor Chavez said this has involved only a handful of people. However, in this economic climate in the middle of winter, most people who have fallen behind do want to be able to remedy the situation in timely fashion, but feel they aren’t provided the structure to do that.
- Councilor Calvert asked if consideration was given to where the utility billing is located, and understands the rationale for its current location. However, that reason no longer exists. He said since it is in support of the Utility Division, an enterprise, it might be more appropriate for it to be in the division instead of in the General Fund.

Mr. Mares said staff did ask questions of the finance staff, in particular utility billing. He said there were survey interviews from water, wastewater and solid waste. At the time, the Team felt right now wasn’t the appropriate time to transfer utility billing into Public Utilities because of the complications which could arise. The Team felt some of the current issues should be addressed before making such a move.

Councilor Calvert said the Team recommends exploring new software, and believes you need to look at them “hand-in-hand-in-hand,” and are somewhat related. He said some of the items which are listed as problems under utility billing actually are in the Utility Division out in the streets in operational measures and how those relate is pretty significant. He believes at some point, sooner rather than later, we need to have that discussion if we are restructuring, commenting to him, it is a fairly significant issue. He said he will leave this to the departments when they respond to our comments.

- Councilor Calvert said it is requested to move Risk Management, and that a vacant contract administrative position be moved to Human Resources, which points out further need to have a discussion about what Risk Management does. He believes they should be able to respond, especially when there is a recommendation to move personnel from that division.
- Councilor Calvert said he understand the P-Card issue, in terms of inventory and supply. However, his concern would be from a use standpoint, that they are used appropriately and not abused. He said we always have to strike a balance between giving employees freedom and the responsibility to do things more efficiently, and yet holding employees accountable not to abuse these kinds of privileges. He appreciates the recommendation, but it needs further evaluation in how it would work.

- Councilor Calvert appreciates the recommendation about doing more with computerized management systems so we can reduce some of the inventory and warehouse costs, and perhaps space costs as well. He would asked Robert Romero to respond to this and how that would work, if this were to move forward.
- Chair Ortiz said the curious thing to him about the request to move the position to Human Resources, is that the HR presentation indicated it would be eliminating positions. He said without seeing the justification, this seems to him to be curious.
- Chair Ortiz said he needs to be persuaded as to the reason it is so difficult to put billing for utilities along with customer services in each of the three divisions, in one place where they belong, instead of having it so spread out. He said this means you have to call a different place for each problem with a utility, and you will get very different results. He wants to know why we can't have a one-stop system for the public and why that shouldn't be in one particular department, instead of having it spread-out. He needs to be convinced by the Finance Department or the Utility Department the reasons that organization won't work.
- Chair Ortiz said, with regard to some of the recommendations, the City has been through cycles where ITT has stood alone, and then put underneath. He said Risk Management also has stood alone as well as being in another department, and it is now in Finance. He said finding a place for IT isn't as much a function of where it belongs in the organization as it is one of how it is serving the organization. He said to hear that the greater the need for IT, the more concern, is not a good thing. It plays to the stereotypes of IT personnel which is the more you need their help the more concerned you are going to be which makes no sense to him.

Ms. Baca said IT is severely understaffed given the scope of what they're being asked to do. In terms of training and certification, as we get more complex systems there is more of a need for IT to have this kind of training.

Chair Ortiz said the question then becomes why we even have a staff of IT, and why not strip it to bare bones and contract it. He said we've been spending "tons" of money on contractors to fix the problems with systems. He asked why we don't go to a straight contract system for IT. He said if we are completely understaffed, how do we reconcile the fact that we have staff with the job that they're supposed to be doing, and asked what exactly are they doing and to whom to they report. He said it is surprising that we have different department charged with different licensing agreements for their software, commenting this doesn't make sense.

Chair Ortiz said if we can achieve economies of scale throughout the organization for electronics and IT, it could result in savings, and said perhaps Mr. Williams can tell us how this can be achieved.

Chair Ortiz said there has to be a central control for the hardware issues to see that everything is compatible, works together and is managed properly. He also thinks, in terms of applications, we might be served better with a decentralized approach where the applications personnel are within

the department so they can concentrate on the needs of the specific departments. He realizes this takes away some of the flexibility in moving people around, but it gets people who are better able to serve department needs on a consistent basis.

Chair Ortiz said he believes we can achieve savings in Risk Management and Health and Safety which we don't have before us, commenting that presentation is forthcoming.

- Councilor Calvert asked the difference between fleet and motor pool – how do you distinguish between the two. Mr. Mares said fleet is the maintenance of vehicles, but there are no vehicles that serve as a pool.

Councilor Calvert said then you are talking about a true pool of vehicles from which people check-out a vehicle as needed as opposed to dedicated vehicles in departments.

Councilor Chavez said he has often thought it would be good if the Police Department could operate under the pool concept, but the incentive of take-home vehicles gets in the way. He said we have a motor pool for most departments/divisions with the exception of the Police Department.

Councilor Calvert said we really don't. We have maintenance for all vehicles, but basically everyone keeps their own vehicles – Wastewater, Land Use and others.

Chair Ortiz said every department is treated like the Police Department where there are department vehicles dedicated to the department.

Councilor Chavez said this is true, but they are shared by the employees within the department, which is a distinction from the Police Department.

Chair Ortiz said this team did a good job, and he looks forward to the response from the Department, noting it was a thorough review.

4. UPDATE AND REQUEST FOR APPROVAL OF WASTEWATER MANAGEMENT DIVISION DIRECTOR'S QUANTIFICATION OF RECOMMENDATIONS FROM PEER REVIEW TEAM 2 EVALUATION PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING. (BRYAN ROMERO)

Bryan Romero presented information from his Memorandum of February 11, 2010. Please see this Memorandum for specifics of this presentation.

The Committee commented, asked questions and gave direction as follows:

- Councilor Calvert asked if the \$75,000 increase in compost was the Peer Review group's recommendation and you are concurring with it, or is this your recommendation your own. Mr. Romero said the recommendation was that we needed to market and we quantified that number.

- Councilor Calvert asked if he is comfortable in committing to this. Mr. Romero said he believes we need to start selling it, and people always need it. He said that is their goal.
- Councilor Calvert said then the water that comes from it could be sold to people who buy effluent. Mr. Romero said the water from the sludge is no longer going into the ground, is being treated, and would be additional water available to sell.
- Responding to Councilor Calvert, Mr. Romero said the \$500,000 for effluent sales was estimated for this fiscal year, and we seem to be on target for that number. Councilor Calvert said part of that was because of the increase in rates. Mr. Romero said, depending on the weather, we get more money in dryer years. He believes it is sustainable because there is such an investment in golf courses, and they want to keep those in shape.
- Councilor Calvert said he is unclear what his conclusion is with regard to savings on contracts for vehicle maintenance.

Mr. Romero said the numbers were to give you an idea of what we are spending. He doesn't see where we can save on maintenance, because a lot of it is done in-house, and anything which is broken is sent out. He said they would like to get a rotation on equipment, because at some point we will be spending more money to fix it than to buy something new.

Councilor Calvert asked if that is a replacement policy for certain vehicle life. Mr. Romero said yes, noting the oldest flusher is a 1998 and those cost about 300,000, and routers cost \$150,000.

Councilor Calvert said there should be good way to determine when it is cost effective to buy a new piece. Mr. Romero said when these are pulled from service it means we aren't maintaining our sewer lines, noting when it goes to Albuquerque it means they are without it for two weeks.

- Councilor Chavez said there is a market for compost. On the residential side it would need to be user friendly and save, and asked if we have the equipment to load residential vehicles, such as a ½ ton truck. Mr. Romero said we would provide the opportunity to self load. If we loaded it for them, we would need them to sign some sort of waiver.
- Councilor Chavez asked if these revenues are factored in for 2009/2010, and Mr. Romero said yes. He said they are looking the facility with the standpipe for septic haulers to locate a residential area, but the commercial would have to go into the facility and we would load it for them.
- Councilor Chavez asked if Las Campanas and Santa Fe Downs are factored in for 2009/2010, and Mr. Romero said yes. He said both are current with their billings.

Councilor Chavez said he would like to ask for a regular status report on paid customers, including Las Campanas and Santa Fe Downs, so we can know they are current with those contracts.

Responding to Councilor Chavez, Mr. Romero said currently the Horse Park is not a customer, but they contacted him today to negotiate. Councilor Chavez would like a report on whatever happens with the Horse Park. Mr. Romero said if that is successful, it would go to the City Council for approval.

- Councilor Dominguez asked why the \$130,000 difference in effluent. Mr. Romero said Costy handled a lot of the effluent user agreements and he [Romero] didn't do that on a regular basis. He said it was difficult to estimate, but there must have been a lot of use at the beginning of that period.
- Councilor Dominguez said it doesn't seem as if the recommendations deviate much from the Peer Review recommendations. He asked what is the difference between the Peer Review recommendations and what Mr. Romero is recommendation.

Mr. Romero said the only recommendation not in the Peer Review was moving the industrial inspector to a financial analyst which can be done in several ways, and we need to decide whether or not to do that. He believes more financial support is needed.

Responding to Councilor Dominguez, Mr. Romero said during the Peer Review when they were asked to comment on utility billings in different sections, they were asked how they would obtain service, but were never asked about moving it. He said their comments were more relevant to the questionnaire, and that question wasn't asked.

- Councilor Wurzbarger asked the effluent production capacity – are we using 100% of what we have, or 60%. Mr. Romero would like to get a better handle on this. He said they get 7 million gallons into the plant, and they use processed water, as well as taking water from the effluent channel, so they get 5.5 to 6 millions out, but get lower numbers in the summer. He said they have to determine strategically when Las Campanas pulls water from us, because the water in the channel gets low.

Councilor Wurzbarger asked the status of the City's agreement with Las Campanas once the Buckman is in place, and does anything change in our effluent agreement. Mr. Romero said he needs to look at that. Councilor Wurzbarger thought there was some connection, and would like Mr. Romero to check on that, with the intention of clarifying whether we have potential effluent we're not using currently. Mr. Romero said we need to make sure we have enough going downstream for the downstream users.

- Councilor Chavez asked, with regard to the outflow and downstream users, if those users would be La Cienega and the Village of La Bajada and Mr. Romero said yes. Councilor Chavez asked the requirements to provide this water. Mr. Romero said he is unsure whether the water has been adjudicated through the State Engineer. He said Costy and the superintendent had a consistent amount they released. He doesn't think it was a quantified requirement, but more to make sure the downstream users always had water.

Councilor Chavez said it was also part of the effluent management plan, and the downstream users were part of that plan. Mr. Romero said when we build facilities, we need to ensure adequate storage and a place to store water in the channel.

MOTION: Councilor Calvert moved, seconded by Councilor Wurzbarger, to encourage immediate action on the compost facility and the effluent reuse in terms of ensuring that we recover as much as possible on those to help in the budget; to accept the consolidation of contracts recommendation; and for every division to help support assistance with things such as graffiti that they observe when they are in the field.

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

5. UPDATE AND REQUEST FOR APPROVAL OF SOLID WASTE RESPONSE TO PEER REVIEW TEAM 2 RECOMMENDATIONS PRESENTED ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING. (BILL DeGRANDE)

Chair Ortiz said he would like to see an organizational chart with all positions by pay range. He said the Review Team proposed a reorganization of staff, and he wants to see how those numbers translate from existing into proposed. He said we're going to have to do another rate increase because there are continued shortfalls at SWMA at 300%. He said perhaps it's time to start reconsidering a new paradigm in how SWMA is being operated. He doesn't see how we can continue to allow SWMA to set the rates which dictated that we have to increase our trash collection fees with no increase in service to the public, which he believes is ridiculous.

Mr. DeGrande said he wholeheartedly agrees with Chair Ortiz. He said the long term projections in the next few years are close to \$50 per ton with no end in sight.

Chair Ortiz said with no change in the way we do operations, with no increase in recycling or in services to City residents, the City will be forced to bear those costs.

Mr. DeGrande said SWMA is meeting on Wednesday, and he will be raising this issue. He said Mr. Kippenbrock has talked about flow control, which would lock us into that landfill without an option to go elsewhere, to which he's totally opposed. He said the rates will continue to go up.

Chair Ortiz said if the rates continue to escalate, we will be in the same situation as Espanola and Los Alamos, which is to decide whether it makes more sense to contract and ship. Mr. DeGrande said, "You are absolutely correct." Chair Ortiz said this is not what SWMA is supposed to be about, and Mr. DeGrande agreed.

Chair Ortiz said for some time, the City has had only one member on the SWMA board, and we need to have another member.

Councilor Wurzbarger said she also wants to see the organizational chart, and hopes we can have some understanding of the role of the Assistant Director, how that was moved, the implications of

reclassification for that position, and whether the position was lost or if it is retained and being reclassified. She said he is making some recommendations and decisions about lower level positions which she would like to see justified.

Councilor Dominguez recognizes that there are recommendations to deal with mid-level positions, and he also wants to see the organizational chart. He said he has the same concerns with these recommendations as he did with the Civic Center. He said we're moving people around and he wants to see what that looks like in an organizational chart and what that means in terms of justifications.

Councilor Dominguez asked if there has been a discussion about consolidation of heavy equipment maintenance for streets, water, wastewater, etc.

Mr. DeGrande is just beginning to talk to other divisions about it, and there could be some significant savings City-wide if that is done.

Councilor Chavez asked if SWMA or Caja del Rio is impacted because we can't find markets which are close within the region for the product which is recycled.

Mr. DeGrande said as of July 1, 2010, "he's not going to be charging for recycling." He said right now, we pay \$15 per ton. He said the markets are here, and Mr. Kippenbrock does a pretty good job at marketing, noting all the prices are down for all commodities. He said glass is an issue. He said what's happening at Caja is there just isn't any volume, noting it has reduced from 200,000 tons to 153,000 tons per year, which is a huge blow to revenues and this reduction is what is driving the price increases.

Councilor Chavez said then we need to increase the volume.

Mr. DeGrande said the problem is the loss in construction and C&D.

Councilor Chavez asked about the markets for recycling.

Mr. DeGrande said he is getting money for the sales, it's just a bad market right now.

Councilor Chavez asked if residential green waste would help to increase revenues.

Mr. DeGrande said he doubts that it will, commenting that he really needs the construction industry.

Chair Ortiz asked what overtime is being eliminated on Saturdays.

Mr. DeGrande said it is the overflow from Friday.

Chair Ortiz asked, preparatory to the annexation, if there has been long term planning or thought given to creating shift schedules Tuesday-Saturday, or a 7-day a week schedule to shift some of the burden.

Mr. DeGrande said it has been done, and he said they are servicing almost all the businesses in the phase 1 annexation, noting phase 2 is huge.

Chair Ortiz said this item has been moved to the last meeting when we will have the City Manager's recommendation with the follow-up information requested, and the Committee will take no action.

**6. UPDATE AND REQUEST FOR APPROVAL OF COMMUNITY SERVICES
RESPONSE TO PEER REVIEW TEAM 4 RECOMMENDATIONS, PRESENTED
ON FEBRUARY 1, 2010 FINANCE COMMITTEE MEETING. (TERRI
RODRIGUEZ)**

Chair Ortiz said after Ms. Rodriguez made her presentation, there was a news article that Santa Fe County is down in revenues, and the County is looking to cut its contributions for Seniors and Libraries. He asked what we are doing, because we can't ask the County for more money.

Ms. Rodriguez said she didn't put those numbers in the Memorandum because they're too hard to determine. It will be an MOU process. She said she just attended a meeting, and the County isn't anticipating cutting Seniors. She said the County has given the City a \$20,000 donation for the library each year, and it is considering cutting those funds. She believes we can justify those funds, but we can't control whether the County will continue this contribution.

Ms. Rodriguez reviewed the information in her Memorandum of February 12, 2010, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

The Committee commented, asked questions and gave direction as follows:

- Councilor Ortiz asked what is the difficulty in saying that the City of Santa Fe is no longer going to provide services to Edgewood and Chimayo. He said the County can recover whatever money is going to those centers, in terms of State funds.

Ms. Rodriguez said it is done under an old MOU between the City and County. She said mining these numbers has taken tremendous staff time. She said, in her opinion, it shouldn't be as difficult as it has been.

- Chair Ortiz asked what savings would be realized if the Immediately Increased Efficiencies, listed on the second page of the Memorandum, were to be approved and implemented. Ms. Rodriguez said there would be no savings attached to those. She said we could look at using the software used by paratransit more efficiently, noting the County is looking to cut that program. She said they are working through the number to collaborate with GCCC's child care and Monica Roybal. She said they have developed a proposal which is being considered, but she is unsure that would result in a savings, commenting it is doubtful.
- Chair Ortiz asked if there are potential savings in the short term implementation.

Ms. Rodriguez said there is, probably close to \$80,000 for Senior Services which is in agreement with the Peer Review recommendations. Chair Ortiz said if we were able to change the ordinance for the Children & Youth Commission we would have additional funds for programs. He asked Ms. Rodriguez if she is in agreement with the Peer Review for the short-term recommendation, and Ms. Rodriguez said yes.

- Councilor Dominguez said, in terms of any savings in reorganizing, we would have to wait and see when that happens. He doesn't know what the results would be, but we have to be careful about this.

Councilor Dominguez said, with regard to the change in ordinance on the Children and Youth Commission, it seems that we have a clear process and an allocation via the ordinance. He asked Ms. Rodriguez if she is suggesting that we apply for the monies that we provide/grant. He asked if it is to allocate less of the GRT to the Children and Youth.

Ms. Rodriguez said the suggestion is that City programs would request Children & Youth funding. The ordinance is designed to fund only non-profit organizations, so that Monica Roybal, or Fire or Police couldn't ask for that funding to cover some of their children and youth programs, and should build those costs into their budgets. She said it was done to prevent the fund from being raided by City programs.

Councilor Dominguez said then you are recommending that we raid that fund for City programs.

Ms. Rodriguez said she isn't asking to raid the fund. She is asking to be able to compete for those funds and she isn't asking that you give it to the City.

Councilor Dominguez said then you are asking that the City compete for funds that it allocates. Ms. Rodriguez said yes, because those are General Fund monies, and the funding now comes from Quality of Life and other funding sources where we would be saving those for the General Fund.

Councilor Dominguez said that would require an ordinance change. He asked if part of the reason for providing these funds to non-profits is because the City isn't equipped or capable of providing these services, such as suicide prevention. Ms. Rodriguez said yes. Councilor Dominguez said then we are going to deviate from that and say the City can provide some of those services better than non-profits.

Ms. Rodriguez said the reason we fund non-profits is so the City does not have to invest in those programs, and to be able have those services in the community, as well as to ensure the efficiency and effectiveness of the programs.

- Chair Ortiz said one of first things he did was to create the Juvenile Justice Board, and the compromise was that we would change the ordinance to allay the fears that the Juvenile Justice Board would be funded from Children & Youth Commission funding.

- Councilor Chavez said Monica Roybal was being used by a local dance group which was providing programming at that facility, and "their structure was to fit in the pricing structure" and pay to use the space. He asked if this would fit into the scenario of using some of the funds earmarked for Children & Youth and deviate from the traditional non-profits which had been receiving the funding.

Ms. Rodriguez said no, they don't want to fund for-profit organizations.

Councilor Chavez said this is a community group which is providing programming for free at one of our facilities, but is expected to pay for using the facility.

Ms. Rodriguez said the issue is that the City is spending money paying staff to provide that service. She said the best way to address this is to set-up a fee structure for use of that facility for things such as a DWI class once a month which had not been charged for the space. She said as we move forward with the teen center and have more space, it would be in our best interest to establish a fee structure.

- Councilor Chavez said another impediment is the liability insurance, and how will we handle that. Ms. Rodriguez spoke with property management people, and the organizations would be required to carry liability insurance. Ms. Rodriguez said it would be a \$1 million rider which is affordable. Councilor Chavez said it could push them out of the facility and we need to consider that, and he wants to look at the liability insurance issue. He doesn't want to see these programs "pushed onto the street" because of the City's current financial situation.
- Councilor Wurzbarger said she understands all divisions proposed changes except the Arts Commission, but there is nothing in the report suggesting anything could be done in the Arts Commission. Ms. Rodriguez said they were looking at General Fund, and the Arts Commission uses less than \$40,000 of General Fund money.

Councilor Wurzbarger asked if thought has been given to an ordinance change for funding which ties it to a different kind of function. She said this is a large amount of money. Ms. Rodriguez said it is a little over \$1 million. She said a lot of the funding comes from CIP and Quality of Life. The gallery had been funded from the Lodger's Tax, and Ms. Pratt used most of the reserves last year to fund the gallery, so the gallery will be examined very carefully this year. Responding to Councilor Wurzbarger, Ms. Rodriguez said she got no other recommendations on how to structure the gallery.

Councilor Wurzbarger asked if there an analysis on the expenditures for the Arts Commission in the Peer Review, and Ms. Rodriguez said no.

- Chair Ortiz said the Quality of Life is General Fund money. He said if we can make savings there, we can free funds for other needs, and doesn't believe it is necessarily off limits because it is Quality of Life funds.

- Councilor Chavez said Ms. Rodriguez talked about CIP for the Arts Commission and asked where the 1% for public art fits, and if it is rolled into CIP projects. Ms. Rodriguez said yes, 1% of each CIP project is set aside for public arts project.
- Responding to Councilor Chavez, Chair Ortiz said Edgewood and Chimayo Senior Centers were the two identified to be returned to the County in the Peer Review. Councilor Chavez said these are the most distant we are servicing. Ms. Rodriguez said Santa Cruz is more distant than Chimayo. Chair Ortiz said this information is in the Peer Review presentation and Councilor Chavez can review the information.
- Chair Ortiz said perhaps we need to make a recommendation to cut \$300,000 from the Senior budget, which forces Ms. Rodriguez to go to the County and tell them the City can no longer continue to service outside the City limits. Ms. Rodriguez said the County is very willing to work with the City, and have gone with her to the State Area Agency on Aging for those allocations to be turned over to the County.
- Councilor Calvert said one of our recommendations when we got the presentation was to move forward immediately on the e-grants. He said there is a difference between the Senior Centers and the Libraries, because it is clear that some of the Senior Services are falling in the County, and the County needs to make the argument that it can't continue the services, as opposed to the City making that argument to the County's constituents.

Responding to Councilor Chavez, Ms. Rodriguez said 21.3% of the library users do not live in the City. Councilor Chavez asked if it would make sense to move forward with the immediate increased efficiencies and wait on the others, or hold back on everything.

Chair Ortiz said then there are no savings by doing the Immediate Increased Efficiencies and Ms. Rodriguez said no. Ms. Rodriguez said there is \$9,000 off security if we close the Library an hour earlier, but the immediate efficiencies will provide more efficient services. However, it makes sense there would be savings if they could do some of the efficiencies..

MOTION: Councilor Chavez moved, seconded by Councilor Calvert for purposes of discussion, to move forward with the Immediate Increased Efficiencies, and track where the efficiencies are saving money and providing a higher quality of service, especially in paratransit and Senior Services Transportation.

CLARIFICATION OF THE MOTION: Ms. Rodriguez asked if the motion would include the Immediate Implementations. Councilors Chavez and Calvert said that it does.

RESTATED MOTION: Councilor Chavez moved, seconded by Councilor Calvert for purposes of discussion, to move forward with the Immediate Increased Efficiencies as recommended by staff, and track where the efficiencies are saving money and providing a higher quality of service, especially in paratransit and Senior Services Transportation; and to move forward with the Immediate Implementations as recommended by staff.

DISCUSSION: Councilor Wurzburger said she has a problem in cutting services to the Library. She asked if we could recover the \$9,000 by other means, such as imposing a \$5 fee to use the library, noting this is done in other cities. She said 22% of the Library budget is \$700,000, and yet we are cutting only \$9,000. She is opposed to including the Library portion of the Immediate Implementations, and favors coming up with another option. She believes a fee of 50 cents per person would generate \$9,000. She said we have to make some concrete decisions about increasing revenues or charging people who are using City services to pay for those services.

Councilor Chavez said he is uncomfortable in proposing to reduce library hours by an hour, although it would result in some savings, noting we could increase the hours when the County is willing to fund a portion of the cost.

Councilor Calvert agreed with Councilor Wurzburger, that it isn't worth implementing a one hour reduction in hours of operation for an annual savings of \$9,000.

FRIENDLY AMENDMENT: Councilor Calvert asked to amend the motion to exclude the recommendation on the \$9,000. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

Chair Ortiz said, given the economic climate, it is virtually impossible that we will get more money from the County for library services. He said the library is not open at this time of the day for kids, it is open for others. He said we need to have a more frank discussion about charging a nominal fee to use the library.

VOTE: The motion, as amended, was approved on a voice vote, with Councilors Chavez, Calvert and Wurzburger voting in favor of the motion and Councilor Dominguez voting against.

- 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. MID-YEAR REVIEW AND CONTINGENCY PLAN STATUS (POSTPONED TO MARCH 1, 2010).**

This item is postponed to the next meeting of the Committee on March 1, 2010.

Chair Ortiz noted there is a change in the budget calendar.

- 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**

D. CLASSIFICATION AND COMPENSATION STUDY – REPORT AND RECOMMENDATIONS BY EVERGREEN SOLUTIONS, LLC. (VICKI GAGE)

Chair Ortiz said he understands the Study has been delayed, and asked when it will be available.

Mr. Millican said it will be available by March 1, 2010.

CONSENT CALENDAR DISCUSSION

10. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO EXTEND LEASE AGREEMENT – SPACE COMMONLY KNOWN AS SUITE 100 AT 125 LINCOLN AV.; FIRST INTERSTATE PLAZA ASSOCIATES LIMITED PARTNERSHIP. (EDWARD VIGIL)

Councilor Wurzburger said at a previous Finance Committee meeting, she made it very clear that she didn't want to see a lease come back to this Committee without a competitive analysis, and she doesn't see one. She said people are calling her from all across town saying they have commercial space for rent. She said there is a slight increase.

Chair Ortiz agrees. He asked why we are doing it this way, rather than by RFP.

Mr. Vigil said he is before the Committee to request approval of this amendment. He said the cost is \$75,000 annually. Responding to Councilor Wurzburger, Mr. Vigil said he did look at other facilities in close proximity to the downtown area.

Councilor Wurzburger asked Mr. Vigil if he looked for space on St. Michaels.

Mr. Vigil said yes, they looked at various facilities throughout the town. He said the Arts Commission has a requirement to be in close proximity to the Convention Center because it helps staff. He was looking at facilities within walking distance.

Councilor Wurzburger said she doesn't accept the criteria from the Arts Commission and believes the City has to be much more competitive in its leases. She would like to see a reconsideration of this based on cost..

MOTION: Councilor Wurzburger moved, seconded by Councilor Chavez, to deny this amendment, and to direct staff to come back with a different proposal which shows evidence of changing the criteria and with a more reasonable cost.

DISCUSSION: Chair Ortiz said if we deny the amendment, it means we will do an RFP for space and have to move.

Mr. Vigil said the current lease has expired by its own term. The landlord has granted us holdover provisions on the lease. If the amendment isn't approved, it may be necessary to find an alternative location. The rent currently is \$5,000 to \$6,000 per month.

Councilor Chavez would like to look at less expensive space.

Councilor Calvert asked if there is an estimate of the cost to move.

Mr. Vigil said no. However, when the Land Use was looking to move some of its staff, IT staff advised that it could be very expensive to relocate the IT, depending on where they were to move.

Councilor Calvert would like to know the moving costs, because it would guide us in our decision in determining whether it would be worthwhile to move.

Chair Ortiz said that would be part of the analysis.

Responding to Councilor Wurzbarger, Ms. Vigil said the only other lease for space is at the Post Office which comes to term in 2012.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

18. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO REVIEW THE EXISTING RATES FOR USE OF THE SANTA FE COMMUNITY CONVENTION CENTER IN ORDER TO ENCOURAGE LOCAL EVENTS (COUNCILOR CHAVEZ). (KEITH TOLER)**
Committee Review: Public Works (Denied) 02/08/10; and Council (Scheduled) 02/24/10.
Fiscal Impact – Yes.

Chair Ortiz said this item is on the agenda because it received a No-Pass at the Public Works Committee.

Councilor Calvert said the reason Public Works recommended not to move it forward is because staff is already doing this, and not because we didn't think it is needed. He said the thought was we didn't need to continue with the legislative process for something staff is already working on.

Councilor Chavez said staff may be looking at this, but this directs them to get it done. He said this resolution was introduced after we learned the employee Christmas party went to Buffalo Thunder. He understands a large number of locals use the Convention Center. However, in talking with the Employee

Benefit Committee and other City employees, and members of the community, he understands that there are other local groups which don't fit in the price structure. He asked Mr. Toler if he is considering all of this.

Mr. Toler said staff is looking at policy and procedures, overall pricing, noting for one wedding they were operating at a 77% loss. However, he realizes we do need to make it more enticing for local businesses to use the facility. An add is coming out on Sunday, offering locals a 60% discount on remaining space at the center through December 2010. He is researching other convention centers in the southwest to look at their pricing, policies and procedures and contracts. He published a marketing plan in October 2007, which calls for a complete review of all pricing, policies and procedures at the beginning of 2010. He said the current pricing structure was based on recommendations from a consulting firm which was hired before he came to the City, including pricing and policies and procedures, although some modifications were made. He said it is now time to look at all of these things. He said they will have a report to the Council by the end of April 2010, so the new pricing will be in place at the beginning of the fiscal year.

Chair Ortiz said this is in line with the Resolution.

Councilor Chavez said it is. He asked what that means for the Employee Christmas Party and if they can afford to have the party here next year.

Mr. Toler said for clarification, for the Employee Benefit Christmas Party, he offered free rental, free equipment, free labor and parking, and there was nothing else they could give them for free – they waived all charges, and they still opted to go to Buffalo Thunder. He understands the plan is to go back there next year, noting they haven't consulted him about this year's Christmas party.

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

VOTE: The motion failed to pass with Councilors Chavez and Ortiz voting in favor of the motion and Councilors Calvert, Dominguez and Wurzbarger voting against.

19. MATTERS FROM THE COMMITTEE

Councilor Ortiz asked for an update on the Thornburg contribution at the next meeting with regard to the industrial revenue bond which was issued to Thornburg and the agreements and conditions.

Mr. Millican said that can be done on March 1, 2010.

Chair Ortiz said Mr. Millican can send the answer via email, and if that answers the questions, then it isn't necessary to put it on the agenda.

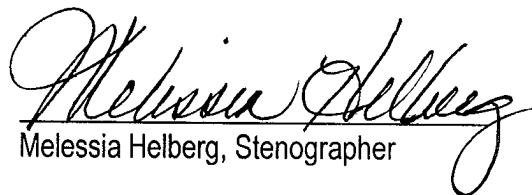
20. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at 7:25 pm.

Matthew E. Ortiz, Chair

Reviewed by:

David N. Millican, Director
Department of Finance



Melessia Helberg, Stenographer