



# Agenda

CITY CLERK'S OFFICE

DATE 12-16-10 TIME 2:00

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**ALL MEMBERS OF THE GOVERNING BODY HAVE BEEN INVITED TO ATTEND  
THIS MEETING**

SPECIAL FINANCE COMMITTEE MEETING  
DECEMBER 20, 2010  
5:00 P.M.  
CITY COUNCIL CHAMBERS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. DISCUSSION AND REQUEST FOR APPROVAL OF DIRECTION TO STAFF  
REGARDING THE FISCAL YEAR 2010/2011 GENERAL FUND BUDGET  
(KATHRYN RAVELING)
5. PUBLIC COMMENTS
6. ADJOURN

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SUMMARY OF ACTION  
SPECIAL FINANCE COMMITTEE MEETING  
Monday, December 20, 2010

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	2
DISCUSSION AND REQUEST FOR APPROVAL OF DIRECTION TO STAFF REGARDING THE FISCAL YEAR 2010/2011 GENERAL FUND BUDGET	Information/discussion/direction	2-15
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**MINUTES OF THE MEETING OF THE  
CITY OF SANTA FE  
SPECIAL FINANCE COMMITTEE  
Monday, December 20, 2010**

**1. CALL TO ORDER**

A special meeting of the City of Santa Fe Finance Committee was called to order by Chair Matthew E. Ortiz, at approximately 5:00 p.m., on Monday, December 20, 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 Carmichael A. Dominguez  
Councilor Rosemary Romero  
Councilor Rebecca Wurzbarger

**OTHER GOVERNING BODY MEMBERS ATTENDING:**

Mayor David Coss  
Councilor Miguel Chavez  
Councilor Ronald S. Trujillo  
Councilor Christopher Calvert

**MEMBERS ABSENT:**

Councilor Patti J. Bushee

**OTHERS ATTENDING:**

Robert Romero, City Manager  
Kathryn Raveling, Finance Director  
Yolanda Green, Finance Division  
Melessia Helberg, Stenographer.

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

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

### 3. APPROVAL OF AGENDA

Chair Ortiz noted for the record what is on our desk is the report for Agenda Item #4, noting this handout was put on the Committee/Governing Body desks at 4:55 p.m., and asked the wishes of the Committee in this regard.

**MOTION:** Councilor Wurzbarger moved, seconded by Councilor Romero, to hear the report submitted by City Manager Robert Romero, and to approve the agenda, as published.

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

### 4. DISCUSSION AND REQUEST FOR APPROVAL OF DIRECTION TO STAFF REGARDING THE FISCAL YEAR 2010/2011 GENERAL FUND BUDGET. (KATHRYN RAVELING)

A copy of *Budget Spreadsheet 2010*, dated December 16, 2010, submitted for the record by staff is incorporated herewith to these minutes as Exhibit "1."

A copy of a packet of information, Tabs 1 through 10, submitted for the record by staff, is incorporated herewith to these minutes as Exhibit "2."

Robert Romero noted Exhibit "2" was in the packet which was distributed on Friday.

Robert Romero reviewed the information in Exhibits "1" and "2," and the Committee and other members of the Governing Body asked questions as follows:

#### Tab 1

- Mr. Romero said the spreadsheet is the revenue budget for the entire City. The second column is the net General Fund subsidy.
- Chair Ortiz clarified that every source of revenue is shown by department in the columns.

Mr. Romero said, for example, the Water Division receives no General Fund revenues and collects \$43 million in fees, and has its own increment of GRT which produces \$7 million to help pay the debt service on the BDD.

- Chair Ortiz said the \$21 million for Finance comes from the Enterprise Funds.

Mr. Raveling said it includes a lot of different kinds of fees, and any fee which doesn't apply to another department is deposited into Finance.

Chair Ortiz said it includes the enterprise fund transfers from Water, Wastewater, Solid Waste.

Ms. Raveling said those amounts are listed under Public Utilities.

Mr. Romero said the \$21 million is part of what is transferred into the General Fund, and he can clarify this information more.

- Councilor Wurzbarger said she wants a breakdown of the \$21 million to Finance.
- Councilor Chavez asked staff to highlight the information for the enterprise funds with shading or some other method for the next report.

## **Tab 2**

Chair Ortiz noted this information was sent to this Committee from Ms. Hausman.

Mr. Romero noted that current GRTs are at the level of 2005-2006, but the expenditure side continues to increase. He said if this trend continues, there will be a \$7 million shortfall in the next fiscal year, and \$2.3 to \$2.5 million for the current fiscal year.

## **Tab 3**

Mr. Romero said this contains information on all vacant positions, and those not funded and eliminated from the budget. He said people aren't leaving as anticipated, and the City isn't getting the vacancy savings anticipated. He said \$800,000 of the Special Revenue Funds could be used to help, noting, for example, the Summer Youth Program won't hire until summer.

Councilor Dominguez asked the difference between Enterprise and Special Revenue.

Mr. Romero said enterprise funds are: Water, Solid Waste, Parking, and such. He said most of the enterprises earn their revenues from fees. He said Special Revenue includes grants and different forms of the GRT. He said some divisions or departments may get money from the General Fund, enterprise and special revenue.

Ms. Raveling said an enterprise fund intends to generate sufficient fees to cover its operations, noting there are a lot of hybrids. She said special revenue funds are grants or other revenue sources which aren't generated by user fees.

Councilor Trujillo said there are 3 vacant police officers positions and 2 firefighters. He asked what happens when a police officer or firefighter graduates from the Academy and comes to the City – would they take one of the listed positions.

Mr. Romero said firefighters go to the Academy, noting there are a handful of vacancies in Fire, and said "we hire them as they come, so it just depends."

Mr. Romero asked if a vacancy is listed if the person is in the Academy.

Mr. Raveling said as long as the City is paying them a salary, they are considered employees.

Mayor Coss said then we won't have a Summer Youth Program if we don't hire the Summer Youth Program Aides.

Mr. Romero said this is correct.

Councilor Chavez said enterprises generate its own revenue and the revenue is kept in a "closed loop system," in its enterprise fund.

Ms. Raveling said this is correct and it would stay in the enterprise fund, although there are exceptions, for example, the funds lent by the ½% GRTs to the water company which it has to repay.

Councilor Calvert said he appreciate subtotals by category, and asked if staff can subtotal the ones with a lot of programs, such as the Summer Youth Program, so we can get an idea of the total of that particular group.

Mr. Romero said Page 7 lists the totals for each fund, and he will be glad to provide the totals within categories.

#### **Tab 4**

Mr. Romero said staff was asked to look at what other cities are doing, and Ms. Raveling did a lot of research on what Phoenix is doing, and it "looks like they thought of almost everything."

Chair Ortiz asked if Phoenix was the only City which was reviewed.

Ms. Raveling said they looked at other cities, but Phoenix had the largest breadth of things done, and some of these ideas are very similar to what other cities have done, and to what Santa Fe has tried to do.

Mr. Romero said they made a lot of phone calls, and this covered almost everything we heard.

Ms. Raveling said, with regard to Phoenix, there are thousands of pages which shows how Phoenix balanced its budget. She said there is a short summary behind this tab, noting Phoenix projected a shortfall of \$277 million, and did efficiency savings of \$36 million, financial initiatives of \$92 million, innovation/efficiencies for \$10 million. She said the next page breaks out how they met the deficit of the balance of \$139 million, noting the public supported \$34 million in additional tax revenue. She said Phoenix also cut 1,400 employee positions.

Mayor Coss asked what were the financial initiatives for \$92 million.

Chair Ortiz said those are tax increases.

Ms. Raveling said this is correct – revenue enhancements.

Mayor Coss said then there was a \$34 million food tax increase in addition to \$92 million in other tax increases.

Ms. Raveling said that was in addition to the significant cuts.

Mayor Coss said then the \$92 million in initiatives were taxes and asked what was taxed.

Ms. Raveling said she will research that and get back to him.

Mayor Coss said he is seeing that Phoenix added more than \$120 million in tax and fee increases.

Chair Ortiz said he assumes Santa Fe will have to use some of the tools used by Phoenix.

Mr. Romero said this is correct.

#### **Tab 5**

Chair Ortiz noted an increase in full time positions, and asked if any of those were for Police and Fire.

Mr. Romero said there are more than 100 vacant positions for a total of 1,600 employees, noting the number of employees was highest in 2009/2010, and they have added Police and Fire positions.

Ms. Raveling said these are raw numbers, and she can provide a detail at the next meeting, noting the BDD employees have been removed from these numbers.

Councilor Wurzbarger said she wants a complete breakdown.

#### **Tab 6**

Mr. Romero said this is what was presented to this Committee in December, which are ideas he came up with last year. He added this sheet to make it clear that the gap for this year is \$2.8 million, the majority of which is a \$1.5 million gap in the CIP GRT, and \$1 million we will not get in vacancy savings.

Chair Ortiz said he understood we have to find \$2.5 million in the General Fund for this fiscal year, and Mr. Romero said this is correct.

Responding to Councilor Chavez, Mr. Romero said he is projecting a \$1 million shortfall in vacancy savings in this fiscal year.

## **Tab 7**

Mr. Romero said this is the estimated gap for the next fiscal year. He said he removed the reserves we used to balance last year's budget. He said if the GRTs continue to stay flat, it will be necessary to cut \$7 million in the next fiscal year, noting however, this will leave room to do a \$20 million CIP program.

Chair Ortiz said then this looks at this year's shortfall and what we are looking at for next year's budget to be able to issue a \$20 million CIP bond, and Mr. Romero said yes.

Mr. Romero this is what we did already this year, in terms of moving General Fund staff to other funds.

Councilor Dominguez asked Mr. Romero to talk about the reserve balances.

Mr. Romero said the only place there are significant General Fund balances are in Police, which are approximately \$500,000, but the others in the General Fund are minimal. He said in 2007 there was \$18 million in reserves, and we used all of that from 2007 to the present, and we now are down to \$9 million in reserves, which are needed to meet the State mandated reserves.

Responding to Councilor Dominguez, Mr. Romero said last year there was \$7 million in the Health Fund reserves, \$500,000 in Fire, \$600,000 in Police, and we used the Fire and Police reserves. He said we didn't show any General Fund reserves last year because we had none. He said these are the Health Fund, Fire Property Tax and Police Property Tax, so these aren't part of the State mandated reserves..

Councilor Chavez what are the State mandated reserve.

Ms. Raveling said it is one-twelfth or 8.3%.

Councilor Chavez asked if this is the amount we have in reserves at this time

Mr. Romero believes we have 10% in reserves.

Ms. Raveling said the State Statute doesn't exactly tell us how to calculate that amount. She said when she calculated reserves previously, she did it conservatively and removed liabilities. She said it can be done in different ways, but she agrees with the City Manager that we are the point where she has no other creative ways to make it look better.



Councilor Chavez asked the projected amount of reserves.

Ms. Raveling said she is projecting reserves of 8.9%.

Councilor Chavez said then this is bare bones and perhaps 8.9% above the State-mandated, and Ms. Raveling said yes.

## **Tab 8**

Mr. Romero said this is a budget breakdown of overtime expenses, noting \$4.4 million was budgeted, and we have spent \$2.4 million. He said the big numbers are in Police and Fire.

Chair Ortiz said the Police Department has committed to reducing its overtime expenditures, and it appears the Department is on line to hit the reduced overtime budget.

Mr. Romero said this is correct, and he is talking to all departments and divisions about holding the line on overtime.

Councilor Dominguez said we need a different handout, because things which are highlighted are effectively blacked-out.

Councilor Romero asked for the totals of the items we can't read.

Ms. Raveling said she will run new copies and provide them to the Committee.

Responding to Councilor Chavez, Mr. Romero the overtime budget is \$4.4 million, and we are close to spending 50%.

## **Tab 9 & 10**

Mr. Romero reviewed the information in Tab 9 and 10.

Chair Ortiz asked if the City pays more of the employee's share of PERA than is required by the State.

Mr. Romero said the City pays 75-25, and he has asked Vicki Gage to check with PERA and City Legal to see if there is any leeway in the payment by the City.

Chair Ortiz asked if there are other municipalities or local government entities where a different split is paid. He said he thought the City pays what is required.

Mr. Romero said he will look into that and report back to the Committee.

Chair Ortiz asked what kind of "hit" is anticipated in increased health insurance premiums for the next fiscal year, noting we probably won't get those numbers until February or March 2011.

Mr. Romero said the City pays \$1.3 million for general liability insurance in the General Fund, plus an additional \$1.7 million, for a total of \$4 million for general liability insurance.

Councilor Dominguez asked if the City has a general liability for the General Fund and a general liability for everything other than the General Fund.

Mr. Romero said the City pays the entire premium, and this is the way it is broken down by department and division, noting each department/division has a general liability insurance assessment.

Chair Ortiz asked how the City obtains this coverage.

Mr. Romero said the City goes out to bid to a company, and the company has tried to get the best deal for the City, noting the City has had Travelers for the past several years.

#### **Discussion of Exhibit "1"**

Mr. Romero said he has been meeting with management and the unions for the past 3 Fridays, and they have come up with the information in *Budget Spreadsheet 2010* [Exhibit "1"].

Chair Ortiz noted representatives from the Firefighters and AFSCME are in attendance, but there is no one from the Police Officers Union.

Mr. Romero said the representative from the POA has been attending these meetings.

Mr. Romero said No. 2 details what we can do to remedy this year's shortfall as follows:

- Working with PNM on every account, staff found \$200,000 in one-time savings. PNM also is reconciling its records, and the City limits are not correctly mapped which will produce another \$300,000 for franchise fees and charging the correct GRT increment.
- Staff has been reviewing minimum staffing levels, and found that the State guideline is 1 lifeguard for every 40 people in the pool, instead of 25, which produces savings of \$40,000
  - Las Cruces, Albuquerque and Los Alamos only have 1 for every 40.
- Savings of \$30,000 in the Summer Youth Program by eliminating site(s) and reducing staffing levels.
- The Police Department budgeted \$1.5 to \$2 million for equipment and vehicles, and staff is looking to reduce that by \$300,000.

Mr. Romero said staff has identified a solid \$2.3 million for this year's budget shortfall.

Chair Ortiz asked if these figures have been vetted with the members of the collective bargaining units, and if they are in agreement with these one-time savings.

Mr. Romero said no. He said as we review this handout we will look at ideas that have come out of our discussions with the bargaining units, noting this is their "first stab" at solving this year's budget shortfall.

Chair Ortiz asked how many of the 7 items in Item #2 will be recurring.

Mr. Romero said perhaps the \$50,000 in the PNM costs and \$30,000 in the Summer Youth Program might be recurring.

Councilor Dominguez asked Mr. Romero if he anticipates a reduction in service with the Summer Youth Program in order to come up with these savings.

Mr. Romero said yes, but it is not a reduction in services, but a reduction in sites.

Councilor Dominguez said then it isn't a reduction in services, it is an efficiency, and Mr. Romero said this is correct.

Councilor Trujillo asked about Parks Fees.

Mr. Romero said the number was calculated at about \$10,000. He said there was an issue because of the way ordinance is written, and he is working on clean-up language for the 2011/2012 Fiscal Year, and that will generate about \$10,000. He said they already were in the middle of the League season, and it didn't seem appropriate to charge half of the leagues and not the other half, so they made an agreement to start at the beginning of this year.

Councilor Trujillo said then we will start this in 2011, and Mr. Romero said this is correct.

Councilor Trujillo said he is willing to sponsor the ordinance, and would like to see it as soon as it is drafted.

Mr. Romero said he will do so, reiterating that they wanted to give the Leagues time to prepare for this.

*Mr. Romero reviewed Items #1 through #17 in No. 3, noting these have been discussed with the collective bargaining units and staff, and the Committee/Governing Body commented as follows:*

- Chair Ortiz asked if there is an implicit or explicit policy that what we are going to do in this restructuring exercise is to find positions in the Enterprise Fund and therefore shuffle positions out of General Fund and fill those in the Enterprise Fund.

Mr. Romero said, for example, Finance needs 2 project specialists, and currently Public Works has 5 project specialists but only need 3. He said when the position becomes vacant, he will move someone from Public Works to fill that vacancy. He said this should reduce the number of employees gradually from 2010 to 2012. He said staff will develop a list of critical positions.

- Councilor Calvert said he appreciates what Mr. Romero is trying to do, however the City already is short on vacancy savings for 2010-2011 because people aren't leaving, he thinks that strategy will be even be more difficult.

Mr. Romero said we are going to have to this plus a lot of other things, but this is just one idea. He said they are hoping it won't be necessary to lay-off any existing personnel, and this is one idea.

- Chair Ortiz noted there are no numbers attached to any of the 17 items in No. 3.

Mr. Romero said if there is something on the list the Committee wants to eliminate, staff won't spend time developing those figures. He said staff proposes to bring numbers and ideas for each of the listed items to the second meeting in January.

- Chair Ortiz said staff wants direction from this Committee/Governing Body with regard to items we want deleted from this list for no further discussion, and asked for suggestions from the Committee.

Mr. Romero said this is correct, and they should let him know if an item is off limits, so staff doesn't spend the time calculating numbers.

- Councilor Calvert asked Mr. Romero if he would like suggestions on #11.

Mr. Romero said yes, noting for the smaller Committees he is suggesting just recording the minutes and asking the staff liaison to write down the motions and votes. If anyone wants to listen to the minutes it will be filed electronically, and we won't do minutes for everything.

- Councilor Calvert suggested going a step further and eliminating some of the Committees.
- Chair Ortiz said it is difficult to take off an item with no numbers, such as "Less Hard Copies," and the savings amounts only to \$8,000, as opposed to furloughs or pay reductions or big numbers which have significance both now and in the future. He said we could get bogged down in the details of such an exercise without numbers. He asked if staff wants the Governing Body to come up with policy direction for these things, or if staff has some idea of where to cut.

Mr. Romero said staff can provide numbers for all these things. What he wants to know is if there are things which are off limits – Seniors, Transit, etc – so we don't go through the exercise of calculating numbers and strategy if those aren't on the table. He said, "If it was up to me, I'd just leave everything on the list, but if the Governing Body chooses otherwise, that is fine as well."

- Chair Ortiz asked the Committee/Governing Body if any of these 17 items are sacred or if they would like to go with the City Manager's recommendation to keep all these items on the list for discussion.
- Councilor Dominguez said there are some things he would consider sacred, but we probably should look at everything across the board. He wants specifics, for example, as to what "Program Reduction" really means.
- Councilor Chavez said he would like to look at the full spectrum and see where it makes sense to cut, being sensitive to programs. However, if we don't have funds for programs, we should do everything possible to combine or consolidate programs, noting there won't be a lot of "room to move." He would like to look at everything.
- Councilor Chavez said, with regard to Councilor Calvert's suggestion to review the committees, we need to review the minimum staffing levels of the committees. He said there is a direct correlation between the time spent by stenographers to attend committee meetings, and the minimum staffing levels and responsibilities of staff for those committees, and we should look to streamline this process and combine where possible.
- Councilor Wurzbarger said she agrees that we should have all the information before discussing options and making decisions. She said we are, once again, falling into the trap of focusing only on cuts, which we have to do, rather than trying to identify the activities within the City which generate revenues and how to enhance those.

Mr. Romero said staff is looking at some of those things as well.

- Councilor Romero agrees we should look at everything, and she would encourage staff to look carefully at what Phoenix did to reduce its deficit, noting Phoenix took lots of drastic measures, and there are some ideas we can use in looking at our deficit. She encouraged the Governing Body to go with the City Manager's recommendation to look at everything on the list. She said nothing is sacred at this point.
- Councilor Trujillo said he would say that Police and Fire are sacred, but he will go with the recommendation to leave everything on the list for discussion.
- Councilor Calvert commented that in looking for revenue, the franchise fees usually turn out to be a tax on our constituents, because it is passed on to the constituents by the utility.
- Mayor Coss said the franchise fees already are in the Telecom Ordinance, and if we prevail in Court, we will start to receive those fees.

Mayor Coss said he believes everything should stay on the list for evaluation, noting we might need them later. However, he is not in favor of an across-the-board pay reduction, because so many of the workers make less than \$15 an hour and a pay reduction really will hurt them. He is not in favor

of furloughs, because this will hurt working families at the lower end of the economic rung, even though they are working full time. He said the same goes for retirement and health care. He said we may not be able to pay for the next health care premium increase, but he can't support reducing the City's portion. He said he does think we should look at efficiencies, and effectiveness around overtime and leave policies.

- Councilor Chavez said there has been discussion of increasing fees at parking structures. He said there also is discussion about projected maintenance for some of the parking structures, and asked the status of that.

Mr. Romero said there is a budget for maintenance in each year's Parking budget, and some of the revenue goes into the "hub" balance. He said some years there are big expenditures for maintenance and others not as big. He said it is balanced from year to year.

- Councilor Chavez asked if there was a discussion that the City needs to increase parking fees to pay for future maintenance.

Mr. Romero said they are looking at lots of things in Parking. He said we are collecting only 20% of the revenue due to the City from parking citations. He has been talking with Judge Yalman about this, and Judge Yalman is okay with moving those fees from her Court to a Civil Court or using a hearing officer. He said other cities are able to collect more of the fees due in that way, and are collecting 75-90% of the revenue due from citations. He said we are losing about \$1 million in parking revenues, and we haven't been reconciling the unpaid citations with the driver and going after them to pay.

Councilor Chavez asked if the citations are for surface parking.

Mr. Romero said a lot of citations are for on-street parking. He said Mr. Gurule is looking at the availability of parking in the Sandoval Garage, noting we have been telling people for years we have no spaces. However, we have 40-50 unfilled spaces which could be leased right now. He is looking at this City-wide so we can do the best we can to maximize parking revenues. He said the more revenue we can recover with the existing fees will mean we can postpone increasing fees that much longer.

- Councilor Chavez said the set-aside for maintenance is from the Parking Funds.

Mr. Romero said all of the money for Parking comes from parking fees – on-street, parking lot revenues and leases. He doesn't know the dollar amount, but does know each year funds are set aside in a fund for maintenance.

- Councilor Chavez wants to know the amount of money which is set aside each year for maintenance.

Chair Ortiz said at this point, he wants to focus on the General Fund and General Fund departments in terms of the immediate need and next year's anticipated deficit, unless we have a red flag issue with a particular enterprise. He said we will make the assumption that all enterprise funds are solid, unless we hear differently from staff.

- Councilor Chavez said it is good to have a maintenance fund, and if it is necessary to increase fees, we should set aside a portion of those fees for the maintenance fund.
- Councilor Trujillo asked Mr. Romero to speak about the suggestion to hire a hearing officer, and asked "that is to go after what."

Mr. Romero said it is similar to the Red Light Camera program where violators come to see a hearing officer rather than the Judge. He said he is working on a presentation for the budget hearings to demonstrate how doing this civilly is more effective than going to Court. He said we're losing \$1 million a year, and we definitely won't pay a hearing officer anything close to that number.

- Councilor Trujillo asked what we currently are paying the hearing officer for the speed vans.

Mr. Romero said it is about \$30,000. He said he spoke with Mr. Zamora today about having one or two hearing officers for everything we do in the City, instead of one for each program – speeding, DWI Forfeiture, home alarm program. He believes we would recoup more revenue by doing this, noting we are failing to collect about \$1 million annually.

- Councilor Trujillo asked Mr. Gurule if he is doing a study now, and Mr. Gurule said yes.
- Councilor Trujillo would like that information to be provided to the Public Safety Committee once it is collected, if that is permissible.

Mr. Gurule said he would be happy to do so. He said, for example, the City of San Diego is collecting up to 76% of its revenue from citations. He said the first year the hearing officer cost \$21,000 and second year \$23,000.

- Councilor Dominguez said Number 20 deals with taxes/reserves, with \$7 million in GRT, \$17 million in Property Tax and \$12.5 from the water payback. He asked if these are anticipated potential revenues.

Mr. Romero said these are the numbers staff provided last year, noting this is the potential revenue, if it is maxed-out, for GRT and Property Tax. He said the balance of the General Fund loan to the Water Division is \$12.5 million.

Chair Ortiz said the Committee/Governing Body has given direction to staff that we want all options to be explored, and nothing is off the table with the exception of the Mayor's comments on furloughs and pay reductions. He asked staff how they would like to proceed, and if there is a recommendation to address the deficit for the current fiscal year.

Mr. Romero noted that No. 2 provides the potential for \$2.370 million. He said staff will verify that the numbers are accurate for the second meeting in January. He noted that the GRTs are about dead flat on the budget projections. He said staff will verify the numbers and come back to the second Finance Committee meeting in January 2011, with a recommendation of what is needed to balance the budget this year. He said he will be recommending filling two critical positions in January, although he will continue to do more with less, and promote from within and ask people to do double duty.

Chair Ortiz asked if we are hearing anything about the efforts by the State to do away with the hold-harmless on GRTs on food.

Mr. Romero said he met with Legislators last week, and asked Mayor Coss to speak to this issue.

Mayor Coss said the news is that our Legislative delegation believes that will be removed as a concern, and the LFC budget as prepared doesn't anticipate the elimination of the hold-harmless provision for the GRTs on food sales.

Chair Ortiz asked if there is further direction or questions, noting the Committee will be seeing all of the numbers at its second meeting on January 18, 2011, noting it is on Tuesday because of the Martin Luther King holiday on Monday.

Councilor Dominguez said, with regard to the process in the future as we move forward, and as we begin to make decisions which would impact services, he would like to have some sort of public comment as it pertains to the budget, or some sort of process which allows public input.

Councilor Romero said Phoenix was an extreme example of meeting budget shortfalls with an extensive public involvement process, and believes it would be worth looking at that process. She believes it would be beneficial for Mr. Romero and Ms. Raveling to look at the public input process used in Phoenix.

Chair Ortiz believes that might be beneficial, but he believes we should look more closely to communities more comparable to Santa Fe – Rio Rancho, Albuquerque, Las Cruces – commenting that Phoenix is a very big place, with a large population and larger issues.

Ms. Raveling said staff will do this.

Chair Ortiz said as we move forward, in anticipation of the next budget cycle, we need to develop public input as a part of the budget process.

Mr. Romero said the meetings with management and the bargaining units have been very fruitful and thanked them for coming to the table with some good and fair ideas.



## 5. PUBLIC COMMENT

Lawrence Vigil, President, AFSCME, said they are in favor of the Mayor and the options, and would like to thank Mayor Coss and Robert Romero and everyone who has been involved and working on the budget. He said, "We all know that during these tough times we all need to come together and really work together." He is in favor of the Mayor's position on furloughs, salary cuts and such, noting he [Vigil] is totally against these things.

Chair Ortiz said he still is waiting to have the meeting with the bargaining unit representatives. He said the City will be better served the more the rank and file employees can come together and come up with suggestions, which will help us to address the issues this year and in the future, and to come up with a sustainable budget in the next fiscal year and moving forward. He said our expenses are far out-stripping our revenues and this is where we need their help..

Alan Lopez, Police Officers Association, said he concurs with the AFSCME President in terms of no reductions in pay, furloughs and such. He said he has been attending the meetings and they are looking in different areas where the City can raise funds and cut expenditures.

Chair Ortiz thanked the staff for its hard work. He asked staff please to provide the information requested at the same time the Committee receives its packet, noting that would be very helpful, especially once staff comes forward with the actual recommendations.

## 6. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at 6:15 pm.

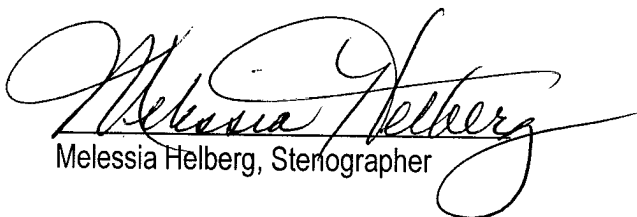
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Matthew E. Ortiz, Chair

Reviewed by:

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Kathryn L. Raveling, Acting Director  
Department of Finance



Melessia Helberg, Stereographer