



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2011 – 5:00 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 4-1-11 TIME 3:00 pm

SERVED BY Yolanda Green

RECEIVED BY [Signature]

MARCH 21, 2011

CONSENT AGENDA

6. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – MUSEUM HILL TRAIL (PHASE I); H.O. CONSTRUCTION, INC. (LEROY PACHECO)
7. REQUEST FOR APPROVAL OF GRANT APPLICATION AND AWARD – NEW MOWER, DESIGN OF RUNWAY 10-28, RUNWAY LIGHTING AND ENVIRONMENTAL ASSESSMENT FOR PROPOSED NEW TAXIWAY H PROJECT AT SANTA FE MUNICIPAL AIRPORT; NEW MEXICO DEPARTMENT OF TRANSPORTATION AVIATION DIVISION (JIM MONTMAN)
 1. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND
8. REQUEST FOR APPROVAL OF AMENDED AND RESTATED RAILYARD LEASE AND MANAGEMENT AGREEMENT – AMENDS, RESTATES, SUPERSEDES AND REPLACES IN ITS ENTIRETY THAT CERTAIN RAILYARD LEASE AND MANAGEMENT AGREEMENT DATED FEBRUARY 27, 2002 AS AMENDED; SANTA FE RAILYARD COMMUNITY CORPORATION (ROBERT SIQUEIROS)
9. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENTS FOR SOLID WASTE DIVISION (REGINA WHEELER)
10. REQUEST FOR APPROVAL OF AFFORDABLE HOUSING FUNDS GRANT – AFFORDABLE HOUSING TRUST FUND GRANT FISCAL YEAR 2010; SANTA FE COMMUNITY HOUSING TRUST (MELISA DAILEY)
11. REQUEST FOR APPROVAL OF EMERGENCY MANAGEMENT GRANTS; DEPARTMENT OF HOMELAND SECURITY (SEVASTIAN GURULE)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2011 – 5:00 PM

- A. HOMELAND SECURITY GRANT PROGRAM
- B. HAZARD MITIGATION GRANT PROGRAM

END OF CONSENT AGENDA

DISCUSSION

12. (PUBLIC HEARING)

REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-2.2 SFCC 1987 AND CREATING NEW SECTION 11-2.6 SFCC 1987 LIMITING GENERAL FUND PERSONNEL COSTS (COUNCILOR ORTIZ) (KATHRYN RAVELING) (Postponed at Finance Committee meeting of March 21, 2011)

Committee Review:

Finance Committee (postponed)	03/21/11
City Council (request to publish)	04/13/11
City Council (public hearing)	05/11/11

Fiscal Impact - Yes

13. (PUBLIC HEARING)

REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO TAKE THE NECESSARY STEPS TO CLOSE THE BUDGET GAP FOR THE 2011/2012 FISCAL YEAR, INCLUDING, WITHOUT LIMITATION: IMPLEMENTATION OF A THREE PERCENT (3%) OR FIVE PERCENT (5%) SALARY REDUCTION FOR CITY EMPLOYEES (DEPENDING UPON SALARY); AND THE DESIGNATION OF FIVE FURLOUGH DAYS FOR CITY EMPLOYEES (COUNCILOR CHAVEZ) (VICKI GAGE) (Postponed at Finance Committee meeting of March 21, 2011)

Committee Review

Finance Committee (postponed)	03/21/11
City Council (scheduled)	04/13/11

Fiscal Impact – Yes

14. (PUBLIC HEARING)

REQUEST FOR APPROVAL OF A RESOLUTION KEEPING SANTA FE WORKING, ENSURING ESSENTIAL CITY SERVICES, INVESTING IN A STRONG CITY, AND STABILIZING THE CITY'S BUDGET BY CONTROLLING COSTS AND ENACTING A PROPERTY TAX RATE INCREASE OF \$1.16 PER \$1000 OF NET TAXABLE VALUE (COUNCILORS DOMINGUEZ, ROMERO, TRUJILLO, CALVERT AND MAYOR COSS) (KATHRYN RAVELING)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2011 – 5:00 PM

Committee Review

City Council (scheduled)

04/13/11

Fiscal Impact - Yes

15. **(PUBLIC HEARING)**

REQUEST FOR APPROVAL OF A RESOLUTION FOR A ONE TIME AUTHORIZATION OF UP TO \$20,000 OF CITY FUNDS TO ASSIST PROPERTY OWNERS OF AFFORDABLE HOUSING IN PAYING PROPERTY TAXES DURING FISCAL YEAR 2011-2012 (COUNCILOR CHAVEZ) (MELISA DAILEY)

Committee Review

City Council (scheduled)

04/13/11

Fiscal Impact - Yes

16. REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION 2001-35 THAT ESTABLISHED THE TRANSIT ADVISORY BOARD FOR THE PURPOSE OF ELIMINATING THE TRANSIT ADVISORY BOARD (COUNCILOR ROMERO) (JON BULTHUIS)

Committee Review

Transit Advisory Board (not approved)

03/22/11

Public Works (not approved)

03/28/11

City Council (scheduled)

04/13/11

Fiscal Impact - No

17. LAND USE APPEALS:

A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 14 LAND DEVELOPMENT CODE RELATED TO APPEALS (COUNCILORS ORTIZ AND TRUJILLO) (MATT O'REILLY) (Postponed at Finance Committee meeting of March 21, 2011)

Committee Review

City Council (postponed)

02/23/11

Public Works (approved)

03/07/11

Finance Committee (postponed)

03/21/11

City Council (public hearing)

04/13/11

Fiscal Impact - Yes



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2011 – 5:00 PM

- B. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING ADMINISTRATIVE PROCEDURES RELATED TO APPEALS OF LAND USE DECISIONS (COUNCILORS ORTIZ AND TRUJILLO) (MATT O'REILLY) (Postponed at Finance Committee meeting of March 21, 2011)

Committee Review

City Council (postponed)	02/23/11
Public Works (approved)	03/07/11
Finance Committee (postponed)	03/21/11
City Council (public hearing)	04/13/11

Fiscal Impact - Yes

18. REQUEST FOR APPROVAL OF A RESOLUTION TO USE THE CITY'S LIMITED HEALTHCARE RESOURCES IN A MORE EFFICIENT MANNER AND TO ENTER INTO AN AGREEMENT WITH CHRISTUS ST. VINCENT REGIONAL MEDICAL CENTER TO MANAGE THE PROVISION OF FREE HEALTHCARE AND SOCIAL SERVICES TO THE INDIGENT RESIDENTS OF THE CITY OF SANTA FE. (MAYOR COSS and COUNCILOR ROMERO) (ROBERT ROMERO AND GENO ZAMORA)

Committee Review

Council (scheduled)	04/13/11
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Fiscal Impact - No

19. REQUEST FOR APPROVAL OF CONSIDERATION TO FILL VACANT POSITIONS (ROBERT ROMERO) (Postponed at Finance Committee meeting of March 21, 2011)
20. OTHER FINANCIAL INFORMATION:
- A. CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS ON STATUS OF FISCAL YEAR 2010/2011 BUDGET (KATHRYN RAVELING AND ROBERT ROMERO)
21. MATTERS FROM THE COMMITTEE
22. ADJOURN

SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, April 4, 2011

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER & ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2
APPROVAL OF MINUTES: MARCH 21, 2011 – REGULAR FINANCE COMMITTEE MEETING	Approved	3
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF AMENDED AND RESTATED RAILYARD LEASE AND MANAGEMENT AGREEMENT – AMENDS, RESTATES, SUPERSEDES AND REPLACES IN ITS ENTIRETY THAT CERTAIN RAILYARD LEASE AND MANAGEMENT AGREEMENT DATED FEBRUARY 27, 2002 AS AMENDED; SANTA FE RAILYARD COMMUNITY CORPORATION *****	Approved	3-5
END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION 2001-35 THAT ESTABLISHED THE TRANSIT ADVISORY BOARD FOR THE PURPOSE OF ELIMINATING THE TRANSIT ADVISORY BOARD	Denied	5-6
LAND USE APPEALS:		
A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 14 LAND DEVELOPMENT CODE RELATED TO APPEALS	Approved	6-8
B. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING ADMINISTRATIVE PROCEDURES RELATED TO APPEALS OF LAND USE DECISIONS	Approved	6-8

ITEM**ACTION****PAGE**

REQUEST FOR APPROVAL OF A RESOLUTION TO USE THE CITY'S LIMITED HEALTHCARE RESOURCES IN A MORE EFFICIENT MANNER AND TO ENTER INTO AN AGREEMENT WITH CHRISTUS ST. VINCENT REGIONAL MEDICAL CENTER TO MANAGE THE PROVISION OF FREE HEALTHCARE AND SOCIAL SERVICES TO THE INDIGENT RESIDENTS OF THE CITY OF SANTA FE

Postponed to 04/18/2011

8

PUBLIC HEARINGS

REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-2.2 SFCC 1987 AND CREATING NEW SECTION 11-2-6 SFCC 1987, LIMITING GENERAL FUND PERSONNEL COSTS

Postponed

8-9

REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO TAKE THE NECESSARY STEPS TO CLOSE THE BUDGET GAP FOR THE 2011/2012 FISCAL YEAR, INCLUDING, WITHOUT LIMITATION: IMPLEMENTATION OF A THREE PERCENT (3%) OR FIVE PERCENT (5%) SALARY REDUCTION FOR CITY EMPLOYEES (DEPENDING UPON SALARY; AND THE DESIGNATION OF FIVE FURLOUGH DAYS FOR CITY EMPLOYEES

No action taken

9-37

REQUEST FOR APPROVAL OF A RESOLUTION KEEPING SANTA FE WORKING, ENSURING ESSENTIAL CITY SERVICES, INVESTING IN A STRONG CITY, AND STABILIZING THE CITY'S BUDGET BY CONTROLLING COSTS AND ENACTING A PROPERTY TAX RATE INCREASE OF \$1.16 PER \$1000 OF NET TAXABLE VALUE

No action taken

9-37

REQUEST FOR APPROVAL OF A RESOLUTION FOR A ONE TIME AUTHORIZATION OF UP TO \$20,000 OF CITY FUNDS TO ASSIST PROPERTY OWNERS OF AFFORDABLE HOUSING IN PAYING PROPERTY TAXES DURING FISCAL YEAR 2011-2012

Postponed to budget discussion

37

ITEM**ACTION****PAGE****ACTION ITEMS**

REQUEST FOR APPROVAL OF CONSIDERATION
TO FILL VACANT POSITIONS

Approved [amended]

38-44

OTHER FINANCIAL INFORMATION:

CONTINUING DISCUSSION, REPORTS AND
RECOMMENDATION OPTIONS ON STATUS
OF FISCAL YEAR 2010

Information/discussion

44

MATTERS FROM THE COMMITTEE

Information/discussion

44-45

ADJOURNMENT

45

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, April 4, 2011

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, April 4, 2011, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Matthew E. Ortiz, Chair
Councilor Patti J. Bushee
Councilor Carmichael A. Dominguez
Councilor Rosemary Romero
Councilor Rebecca Wurzburger

OTHER GOVERNING BODY MEMBERS ATTENDING:

Mayor David Coss
Councilor Miguel Chavez

OTHERS ATTENDING:

Kathryn L. 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 said there has been a suggestion to move Items #16, #17 and #18 to the top of the discussion agenda prior to the Public Hearings because of the number of people who want to speak.

MOTION: Councilor Romero moved, seconded by Councilor Dominguez, to approve the agenda, as amended.

5. APPROVAL OF MINUTES: MARCH 21, 2011 – REGULAR FINANCE COMMITTEE MEETING

MOTION: Councilor Bushee moved, seconded by Councilor Dominguez, to approve the minutes of the Regular Finance Committee Meeting of March 21, 2011, as presented.

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

Councilor Wurzbarger arrived at the meeting

CONSENT CALENDAR DISCUSSION

8. REQUEST FOR APPROVAL OF AMENDED AND RESTATED RAILYARD LEASE AND MANAGEMENT AGREEMENT – AMENDS, RESTATES, SUPERSEDES AND REPLACES IN ITS ENTIRETY THAT CERTAIN RAILYARD LEASE AND MANAGEMENT AGREEMENT DATED FEBRUARY 27, 2002 AS AMENDED; SANTA FE RAILYARD COMMUNITY CORPORATION. (ROBERT SIQUEIROS)

Councilor Bushee said she has questions of Richard Czoski. She said she is concerned about some of the deferrals. She said on page 2 of his letter to Bob Siqueiros, Mr. Czoski mentions that some of the existing tenants are in arrears and a number of the leases have to be restructured to provide rent deferrals to the tenants. She asked if he can provide a list of the tenants and what properties, and if that totals the \$900,000 from the last go-around.

Mr. Czoski said that is not public information. He said they have had tenants which have had their leases restructured. He said the deferrals were anticipated in 2005 when the original lease was amended. He said in 2005, the deferrals were added to the agreement, and the 2005 amendment contemplated further deferrals, but said they couldn't be defined at the time.

Councilor Bushee said she read the letter. She asked, since you can't give us the specific properties, if the total of those deferrals through the downturn, which seems to start in 2006, total \$900,000.

Mr. Czoski asked where she sees the \$900,000.

Councilor Bushee said in the front of the letter he said, "SFRCC has received rent deferrals to date totaling \$902,616."

Mr. Czoski said there are several reasons for the deferrals, one of which is that the project cost more than it was envisioned originally. He said the vast majority of the deferrals were required because of the late start of the project and other issues.

Councilor Bushee said, "I got that. That was \$900,000 and some change." She asked the total, in the paragraph where he mentions that the tenants are in arrears and the leases had to be restructured to provide rent deferrals.

Mr. Czoski said he didn't bring that information with him this evening, but it is about \$200,000.

Councilor Bushee said now you are requesting "\$2 million plus" in deferrals to be repaid by 2027. She asked Mr. Romero how this works in the short term. She asked if SFRCC defers over \$2 million of rent payments, what does that do in terms of the City's budget and debt service.

Mr. Romero said we have been paying for those deferrals with the increment of GRT that we collect that bought the Railyard. He said over time this number is decreasing, and once they begin to collect sufficient rents to cover it, then the City won't have to cover it.

Councilor Bushee asked when the \$900,000 deferral will be repaid, and if that also will be in 2027.

Mr. Czoski said that's paid back between 2020 and 2023.

Councilor Bushee said she presumes as we move forward with a new Lease we will continue to use "you folks." She also is concerned about the hole in the ground, and understands we can't discuss specifics. She understands the tenants are paying their rent. However, At this time, if there are tenants that cannot fill the hole in the ground to generate income, she wants some kind of incentive on the part of the SFRCC to get that moving, although she doesn't know how they will do that. She asked Mr. Czoski if he has any ideas.

Mr. Czoski said there's nothing they would like more than to get the hole filled and built. However, the tenant who leases that ground is paying rent. He said SFRCC is prepared to cooperate in any way possible with the City and with the tenant to try to move that forward.

Councilor Bushee reiterated her concern about the deferrals – she is really concerned.

Councilor Wurzbarger asked Mr. Romero if the \$2,130,000 in deferrals will be covered by the City prospectively "with respect to the percentage of the GRT which he mentioned..

Mr. Romero said yes. He said last year the deferral was \$600,000, and this year it is only \$133,000, so it is decreasing. He said because the SFRCC is collecting more rent the deferral is going down.

Councilor Wurzbarger asked if the deferrals are covered prospectively by that tax, even when it isn't decreasing.

Mr. Romero said once it isn't necessary to use that GRT for this purpose, it can be used for another purpose, noting it is used for the parking garage.

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

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

16. **REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION 2001-35 THAT ESTABLISHED THE TRANSIT ADVISORY BOARD FOR THE PURPOSE OF ELIMINATING THE TRANSIT ADVISORY BOARD (COUNCILOR ROMERO). (JON BULTHUIS) Committee Review: Transit Advisory Board (not approved) 03/22/11; Public Works (not approved) 03/28/11; and City Council (scheduled) 04/13/11. Fiscal Impact – No.**

Councilor Romero said she introduced this Resolution, noting the Transit Advisory Board has several duties that were approved by this Board and thought they hadn't met the duties they had been assigned by the City Council. She said, "For that reason, as well as one that I'd like to read from the New Mexico Department of Transportation, specific to questions asked by the TAB, which indicates to me that they're not doing their work is one asked by Mr. John Whitbeck specific to the administrative costs of the RTD, and the RPA did give a presentation on costs. There was a lot of questions about the differentiation about costs. So, in summary, David Harris of the New Mexico Department of Transportation said, 'Mr. John Whitbeck's comments can be refuted, and they are a snapshot in time and not utilizing the most recent data, and when the most recent data is used it is improving. And when the new data comes forward, the NMDOT expects it to improve even more so.' And so with that, I would move for approval, and hope that at some point in the near future we can reconfigure this Board along with others from our review of our advisory boards and committees."

MOTION: Councilor Romero moved to approve this request. **The motion died for lack of a second.**

Councilor Bushee said she would recommend against approval of this Resolution, and read from the FIR which says, "The Transit Advisory Board would continue to meet and provide grass roots level interaction with transit patrons and make recommendations to staff and the Governing Body according to their mission. These meetings would continue to fulfill the Federal Transit Administration's requirement for public involvement (particularly related to service reductions and fare increases)." Councilor Bushee said she believes this Committee can continue to serve the City in a good capacity, and recommended this Committee continue forward.

MOTION: Councilor Bushee moved, seconded by Councilor Wurzbarger, to deny this request.

DISCUSSION: Councilor Romero said, "I'd also like to add that at some point there is a variety of emails that have come from that particular Board to myself. I will note for the record, and I'm happy to make any

information available, I don't know that this is the appropriate time, the disrespectful action from an advisory board to an elected official is inappropriate, I will say that. I think this is fair warning to any advisory board, is when you are put together by the Council and given marching orders to help in a particular issue, that disrespectful action is not to be tolerated."

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

Councilor Romero said she has another motion.

Chair Ortiz asked if it is on the same item and Councilor Romero said yes.

Chair Ortiz said, "I think it gets ruled out of order. The motion was to recommend denial, and what..."

Councilor Romero said she has an amendment to the motion.

Chair Ortiz said his advice is to...

Councilor Romero said, for the City Attorney, she is trying to decide where this would fit in the discussion.

Councilor Bushee said she can do this at the Council level.

Chair Ortiz said, "And my hope would be, if you have email exchanges, have them given to staff so they can be in our packet so we can have discussion, and I think this has been approved. Oh no, it wasn't approved and it goes on Consent as not approved, and then you have to pull it off."

17. LAND USE APPEALS:

- A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 14 LAND DEVELOPMENT CODE RELATED TO APPEALS (COUNCILORS ORTIZ AND TRUJILLO). (MATT O'REILLY). Committee Review: City Council (postponed) 02/23/11; Public Works (approved) 03/07/11; Finance Committee (postponed) 03/21/11 and City Council (public hearing) 04/13/11. Fiscal Impact – Yes.**
- B. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING ADMINISTRATIVE PROCEDURES RELATED TO APPEALS OF LAND USE DECISIONS (COUNCILORS ORTIZ AND TRUJILLO). (MATT O'REILLY). Committee Review: City Council (postponed) 02/23/11; Public Works (approved) 03/07/11; Finance Committee (postponed) 03/21/11; and City Council (public hearing) 04/13/11. Fiscal Impact – Yes.**

Chair Ortiz said one of the reasons this was postponed was because we didn't have the flow charts, and the flow charts now presented are Options 1, 2 and 3.

Responding to the Chair, Mr. O'Reilly said the flow charts options 1-2-3 are in the packet, and Councilor Wurzbarger said it is the packet beginning on page 38.

Councilor Bushee said the Committee was trying to shorten the appeal process for *pro forma* EZ kinds of issues of the H-Board, but she doesn't know that has been achieved, and "not shorten the appeal time for those larger issues so folks had appropriate time."

Mr. O'Reilly said he believes that has been achieved. He said in the far left-hand board in your packet, labeled as Options 1, 2 and 3, there are two types of appeals and two time periods: Appeals of decisions of land use boards, and appeals of land use decisions. For large projects such as subdivisions, development plans, the appeal period remains at 30 days, but appeals for what we call smaller type projects are 15 days.

Councilor Bushee asked where the types of projects are defined, and said she thought perhaps this has flipped and is getting trickier for some and not so much for others.

Mr. O'Reilly said those are defined in the Ordinance noting it specifically defines subdivisions and development plans and the appeals period is 30 days, as it always has been. For smaller projects, smaller decisions, the appeal period is 15 days.

Councilor Bushee said the ideal is that people without legal representation won't be short-changed in terms of understanding the process, but not clog up the system. Councilor Bushee said there was a lot of discussion appealing the decisions of the Land Use Director, and asked the end result.

Mr. O'Reilly said appeals of the decision of the Land Use Director are listed in Option 1, 2 and 3. He said the Public Works Committee recommend choosing Option 1. Option 1 provides that decisions of the Land Use Department/Director are appealed to the appropriate land use board.

Councilor Bushee asked where that is defined.

Ms. Price said it is on the column on page 3, item 6 in the Table where the 3 options are listed. It would be in the left hand/first column and on page 3 of that document, Item 6.

Councilor Bushee asked about the time for other cases which aren't development plans.

Ms. Price said it is in Paragraph B which provides, "Within 15 days of the day of final action...."

Councilor Bushee asked about cases involving the use of City right-of-way, noting not everything has a development plan.

Mr. O'Reilly said, "It was felt that subdivisions which often are large, development of large tracts of

land, development plans that are very complicated with all kinds of traffic issues, that those should remain with the longer appeal period, because they are more complicated. But anything besides that...."

Councilor Bushee asked about cell phone tower locations.

Mr. O'Reilly said, "Cell phone towers, fences, anything that does not have a subdivision plat or development plan, would be a 15 day appeal period as proposed."

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve Item 17(A) and 17(B) as presented.

DISCUSSION: Mr. O'Reilly said the Committee needs to choose an option on Item 17(A).

Councilor Wurzbarger said she thought that was inherent in her motion, to approve Item 17(A) with Option 1 as recommended by staff.

RESTATEMENT OF THE MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve Item 17(A) with Option 1 as recommended by staff, and to approve Item 17(B) as presented.

VOTE: The motion was approved on a voice vote with Councilors Dominguez, Romero and Wurzbarger and Chair Ortiz voting in favor of the motion, and Councilor Bushee voting against.

18. **REQUEST FOR APPROVAL OF A RESOLUTION TO USE THE CITY'S LIMITED HEALTHCARE RESOURCES IN A MORE EFFICIENT MANNER AND TO ENTER INTO AN AGREEMENT WITH CHRISTUS ST. VINCENT REGIONAL MEDICAL CENTER TO MANAGE THE PROVISION OF FREE HEALTHCARE AND SOCIAL SERVICES TO THE INDIGENT RESIDENTS OF THE CITY OF SANTA FE. (MAYOR COSS AND COUNCILOR ROMERO). (ROBERT ROMERO AND GENO ZAMORA) Committee Review Council (scheduled) 04/13/11. Fiscal Impact – No.**

MOTION: Councilor Bushee moved, seconded by Councilor Dominguez to postpone this request to the next meeting of the Finance Committee on April 18, 2011.

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

PUBLIC HEARINGS

12. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-2.2 SFCC 1987 AND CREATING NEW SECTION 11-2-6 SFCC 1987, LIMITING GENERAL FUND PERSONNEL COSTS (COUNCILOR ORTIZ). (KATHRYN RAVELING). (Postponed at Finance Committee meeting of March 21, 2011). Committee Review: Finance Committee (postponed) 03/21/11; City Council (request to publish) 04/13/11; and City Council (public hearing) 05/11/11. Fiscal Impact – Yes.**

Chair Ortiz said he is the sponsor of the Ordinance, and he doesn't have the budget figures in the packet for the last 8 fiscal years, and asked for an explanation.

Ms. Raveling said, "Other than the sheet I gave you before, I do not have any new information. We are regrouping and trying to find another way to get to that information."

Chair Ortiz suggested that Ms. Raveling, "Look on the City's annual operating budget, it's the page marked City Funds Revenue and Expenditure Summary Sheet that has those figures, and compare that to what's in our Audit Report – Table 3 in the statistical section. Those are the places where you need to gather them, because if we're going to get to a sustainable amount, we've got to know exactly how much money we've been collecting and spending, and it's right here. I just haven't had the time to actually do the calculations, but it should be done relatively easily."

Ms. Raveling said Human Resources also is looking at another report that they think might work on that.

MOTION: Councilor Bushee moved, seconded by Councilor Wurzbarger to postpone this item.

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

13. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO TAKE THE NECESSARY STEPS TO CLOSE THE BUDGET GAP FOR THE 2011/2012 FISCAL YEAR, INCLUDING, WITHOUT LIMITATION: IMPLEMENTATION OF A THREE PERCENT (3%) OR FIVE PERCENT (5%) SALARY REDUCTION FOR CITY EMPLOYEES (DEPENDING UPON SALARY); AND THE DESIGNATION OF FIVE FURLOUGH DAYS FOR CITY EMPLOYEES (COUNCILOR CHAVEZ). (VICKI GAGE). (Postponed at Finance Committee meeting of March 21, 2011)**

Items #13, #14 and #15 were combined for discussion and public hearing

Mr. Romero said there is information in the packet on Item #13 which was requested by Councilor Chavez, regarding employees who have not received a pay increase since July 12, 2008 – 177 employees. He said these are all either management employees or confidential employees. He said we were also asked to provide a list of union and non-union employees which received increases in last 6 months, which is in the Committee packet. He said to make it clear these are all of the adjustments in the past 6 months. He said the incentive increases are being dealt with in negotiations.

Presentation from the Unions

Chair Ortiz invited representatives from the Collective Bargaining Units to make a statement about any of the information on Items 12, 13 and 14 before the public hearing begins, so the Committee can ask questions, and the public can comment on what you have to say. He gave each union 6 minutes to make their presentation.

Joseph Lovato, Treasurer, AFSCME Local 3999, said he has been working on the budget with people at the City. He said he doesn't think the public understands what the property tax is intended to fund. He represents 277 General Fund employees, and the services they provide to the public deal with recreation, streets & transit, youth programs, meals on wheels, libraries, parks, and they help with the public, but they aren't supposed to generate revenue, noting these are essential positions in the City. He said AFSCME has been doing its part, noting they did a work reduction and saved the City some money. He said AFSCME is working with the City and he wants "you guys to understand that." He said he lives in the City and understands it is necessary to get some kind of sustainable revenue for the City because the "GRTs aren't cutting it." He said the revenue is back to 2004-2005 levels, which is \$8 million short in the General Fund. He said they have held positions vacant, and they are working with management, and he is telling the public that we need help. He said \$4 million will cover only ½ the gap. He said we are not asking for raises, and AFSCME is asking for the public's help to keep the quality of life in Santa Fe.

Mr. Lovato said he believes we need to look closely at the General Fund, and what shares come out of it and who is really helping. He said all 3 bargaining units are willing to step in and help, and he hopes everyone steps in fairly, noting their share isn't as large as reported in the newspaper. He said he hopes the public looks closely at some of the numbers. He said, "We have some recommendations, and we just want the public to know that it is necessary that we get this money, because it's going to start affecting services for the youth, the elderly, and if we keep cutting with employees, you're going to start seeing people losing their houses, less money spent in the grocery store, and in no way is anything good going to come out of it. A property tax will help with the solution, and maybe the next 2-3 years, if we cut smart and do our jobs, and work with what we've got, everyone kicks in and everyone contributes, the City will be out of this budget crisis, if that's what you want to call it.

Lawrence Vigil, President, AFSCME Local #3999, said AFSCME is asking "that you guys support the property tax increase." He said they've done their share in work reduction, noting it was supposed to be 40 hours, and ended up being 80 hours. He said out of the 830 members, only 270 work for the General Fund, the balance work for enterprises. He said they don't want service cuts. He said they are still working. He said AFSCME has been asked to come up with numbers, "but this isn't the place to talk about numbers here. That's for the negotiating table." He said they are supposed to begin negotiations next week, and will be crunching numbers, looking at cuts and such.

David Jenkins, President, Santa Fe Firefighters Association. Mr. Jenkins said the Firefighters, as indicated in the budget materials, managed \$300,000 savings in overtime a year ago. He said the Firefighters are at an impasse on the union contract. In addition, the Firefighters have \$60,000 in longevity pay they are willing to give up. He said, however, they are at an impasse over the incentives, which means they can't go forward and negotiate further cuts and efficiencies.

Mr. Jenkins said he is aware that the Councilor recommended 10% and 20% cuts in incentives and leave, but the Firefighters don't have many incentives. He still believes there are other savings which can be discussed once they are back to the negotiating table.

Mr. Jenkins said the bigger picture in pay cuts means resolving the vehicle take home policy, noting about 60% of their personnel live in Albuquerque and commute every day, and 95% are on a 48 hour shift. He said the salary would be less the cost of the commute. One of their major concerns is if there were a pay reduction, we might see guys going to other departments in Albuquerque or Rio Rancho. He said this would be a big problem with annexation coming up, and we will need as many people as possible, and said "we can't afford to lose these people. He said there is a minimum staffing rule in Fire, that if your relief doesn't come in the next morning, you have to stay. He said when you start losing fire personnel, people are told they have to stay which starts the cycle of compounding the problem.

Mr. Jenkins said, "We are willing to sit at the table and look at any option, but a pay cut in the Fire Department would create more problems than it would solve." He said no one wants to be the advocate of this tax, especially during these economic times. He said unfortunately, from what he's seen, that is the only real, workable solution which he has heard, but he certainly would love to hear a better idea.

Mr. Jenkins said, "One thing I want to stress for the public today, this tax is not for raises or benefits for us. We've made cuts to those and we're willing to do what it takes to protect the City. This tax is for us so we can continue to do our jobs in providing the services and the protection that the Fire Department provides. You guys have heard me talk for years and years and years about GRTs funding public safety. Frankly, I've never lived anywhere else, or heard of any place else, where there isn't stable funding for public safety. And as I've said many times, in my opinion, it is irresponsible if you continue funding public safety on tourism. It is a recipe for disaster, so I hope you'll support this tax."

Adam Gallegos, Vice President, Santa Fe Police Officer Association, said, "I think my brother Joe and my Brother Dave from the other bargaining units have pretty much covered everything we were going to present. One thing I do want to talk about, is some kind of funding for Public Safety, and in our case, the Police Department, other than something coming out of gross receipts."

Mr. Gallegos said at one time he didn't know what a gross receipts tax was, but now he probably can quote the dictionary definition. He said the City spent years making its benefit package lucrative to recruit people from other agencies, noting he is a product of that, having been "stolen" from the Santa Fe Sheriffs' Office, and many others in the Police Department benefitted from this package as well. He said some of the items coming forward are a little scary to the lateral hires the City recruited with its benefits package. He said he hears different things, and is involved with the membership, and many of the lateral hires, which we spent a lot of money to recruit, are now looking for other options. They are specifically looking at the 3-5% pay cut. He said we have a lot of police officers living in Rio Rancho, and working for the City of Santa Fe is better for them – it's a better work environment all the way around. He has heard them say if their pay is cut 4%, they can afford to take that reduction, and go to work in Rio Rancho and Albuquerque, because they live there.

Mr. Gallegos said he understands there are issues with the take-home vehicles. However, a lot of these people have invested time here, and know the community, the area, work load and citizens. They know what makes a City tick. He said they have a new administration and the POA is looking forward to working with them in negotiations. He said the POA is coming back to the table soon and won't be

reviewing their strategy here. However, they are willing to work and do their part. He said as his AFSCME brother said, they aren't looking for raises with the property increase, nor for fancy new equipment and such. They just want to stabilize the budget so the Police Department and public safety don't have to rely on GRTs.

Mr. Gallegos said, "I ask that you seriously consider this, more so as something to stabilize the budget, so we can have that stable funding for the Police Department and the Fire Department."

Questions and Comments from the Committee

Responding to the Chair, Mr. Robert Romero said the proposed cuts are in the packet, page 2. He said in January he submitted the list and the Committee found \$3.6 million in cuts. He said they have worked hard with department and division directors to identify other sources. He said he can review the list if the Committee would like.

It was the consensus among the Committee to just ask questions.

- Councilor Wurzbarger said she would like clarification on the gap and the proposed tax increase of \$4 million, and asked Mr. Romero to reiterate how the \$4 million is to be divided between categories. She said Mr. Gallegos just said they want to stabilize the budget so the Police Department will not have to rely on the GRTs, but the PD will still rely on GRTs. She said we need to understand exactly what the \$4 million will cover and what it won't cover.

Mr. Romero said staff has identified a gap of \$8 million where we need to cut expenditures or generate revenue in the General Fund. He said the General Fund budget is approximately \$80 million, of which \$20 million funds Police, \$12 million funds Fire, \$5-6 million funds recreation, and on down the line. He said the \$80 million goes into a pot to be distributed into these funds.

- Chair Ortiz said then he is saying that currently, the proposal is that the \$4 million will go to one general pot to pay for everything, and Mr. Romero said this is correct.
- Councilor Wurzbarger said, for example, when the Committee first started discussing this, there was an idea that \$1.8 million to \$2 million would be devoted to CIP, and asked if that is correct, noting it's not really a pot.

Mr. Romero said for example, the budget for the southside library in most cases would have been a General Fund expenditure, but now that is funded by CIP, so part of the \$8 million would be used to fund the library so we wouldn't have to use CIP funds which would free up about \$1.5 million to pay debt service on a CIP bond, which would be sustainable through the payoff of the bond..

- Councilor Wurzbarger wants further clarity, because the numbers have ranged from \$3 million to \$350,000. She has lost this in the process and wants to know. She said the public may be comfortable with the funds going into the pot. However, in the presentation, we were discussing

specific allocations to justify the \$4 million, and she wants further discussion on that this evening at the appropriate time.

- Councilor Bushee said the last property tax increase imposed by the City, \$1.7 million, was particularly and specifically dedicated to the Police Department.

Ms. Raveling said this is correct, noting it was effective in 2007.

Mr. Romero said this is correct.

- Councilor Bushee noted this tax was imposed without being voted on by the people and was dedicated solely to the Police Department. She said, for clarification, the \$ 4 million would go into "the pot for stop-gap measures really."
- Councilor Bushee asked Mr. Romero why there is no recommendation that the Water Company repay the General Fund the \$1.1 million.

Mr. Romero said he hasn't recommended the use of any reserves or revenue funds. He said the \$1.1 million is available to be paid by the Water Division and it would not result in an increase in rates, so that is available. However, it isn't sustainable and would be a one year payment only.

- Councilor Bushee said she doesn't understand why Mr. Romero doesn't recommend an electric franchise fee, and she did ask for figures, noting this is a pass through by PNM with \$500,000 to the City. She asked what would be the impact on the ratepayer.

Mr. Romero said Isaac Pino has been working with PNM in this regard.

- Councilor Bushee said she would like information on whether the 2007 property tax for public safety might generate some additional funds.

Mr. Romero said, with regard to the franchise fee, he doesn't know the cost to the average homeowner, but he is working on that information.

- Councilor Bushee asked if the pass-through Franchise Fee is "dooable."

Mr. Romero said yes, but it would be necessary to renegotiate the agreement, which could be done fairly quickly.

- Councilor Bushee asked about an increase from \$35 to \$50 for business license fee, noting the County charges \$150.

Mr. Romero said municipalities are limited to \$35 by State statute.

- Councilor Bushee said the previous budget gap sheet had the Engineering Department management giving up \$100,000 in reductions for personnel, but it isn't included on the new list.

Mr. Romero said that was changed to Traffic and it's \$90,000, noting he will recheck this.

- Councilor Bushee said Mr. Romero reorganized the list and it's harder to read.
- Councilor Bushee asked the impact if the City were to use \$1 million from Health Fund reserves on a one-time basis.

Mr. Romero said it would make the Fund less sustainable on a long term basis, noting there will be a time when our costs exceed expenses and that time would come sooner.

- Councilor Bushee asked if there is a requirement to keep the reserve.

Mr. Romero said we have used the reserve in the past to balance the budget.

- Councilor Bushee asked if "Contract Reductions" under P.D. is the vehicle take-home savings.

Mr. Romero said \$20,000 of that is a contract the P.D. used for recruiting that they think they don't need any more, and some are operating costs the P.D. feels it doesn't need to spend next year.

- Councilor Bushee said then there is no recruiting issue.

Mr. Romero said he doesn't know, and can say only that this is the recommendation from the Police Department.

- Councilor Bushee said then Mr. Romero chose not to recommend a \$30,000 reduction for the vehicle take home policy.

Mr. Romero said at this point they still are working on that and trying to understand exactly what those costs are and how those costs can be reduced at this point. He said he wants to be sure he totally understands those numbers. He noted the potential increase in fuel costs, which they are looking at closely, and he wants to prepare that in more detail for later in the budget process.

- Councilor Bushee asked if the Police Department was included under gas increases.

Mr. Romero reiterated that he did, but he wants to be sure they understand what can be saved on the vehicle take home policy.

- Councilor Bushee said there was battalion chiefs overtime savings of \$80,000 in the previous gap sheet.

Mr. Romero said that was included in the total Fire overtime savings.

- Councilor Bushee said Mr. Romero suggested previously that the \$100,000 for overtime savings could increase to \$200,000, and doesn't see that on the list.

Mr. Romero is working with Chief Salas and they aren't comfortable in saying it is \$200,000 at this point, and are looking more closely at that.

- Councilor Bushee noted Mr. Romero indicated \$250,000 for the speed van, and asked if this is an increase over last year.

Mr. Romero said that's an increase over last year, because no revenue was projected last year, so that's credit for revenue earned in this fiscal year and what we think will be earned next year. Responding to Councilor Bushee, he said that is after the State and RedFlex take their share.

- Councilor Bushee asked if the ambulance fees will remain static at \$320,000.

Mr. Romero said they are hoping it increases, but at this point they want to be conservative.

- Councilor Bushee asked how much has been earmarked for Campaign Financing, and Mr. Romero said \$300,000.

- Councilor Dominguez said the Keep Santa Fe Working Resolution proposes to maintain public safety and that patrol vacancies are filled, and asked the number of vacant positions currently in the Police Department, and Deputy Chief Alessio estimates about 10 vacancies, noting they have had several vacancies in the past few days as well as several people have left the department.

- Councilor Dominguez asked the cost of those vacancies.

Mr. Romero said several of the retirements are going to be on the books for some time, noting the value of the 5 patrol vacancies is approximately \$300,000.

- Councilor Dominguez said part of the intent of the Resolution was to generate sufficient funds to fill those 5 vacancies, and asked if the positions vacated by retirement have been budgeted..

Mr. Romero said yes, noting he asked the Chief to look closely at the budget, because several of those positions are critical, and we may need to back fill those positions. He is looking at ways to cover those expenses.

Chief Salas said there currently are 10 vacancies which are needed to maintain their minimum staffing levels, and the intent of the Resolution was to have sufficient funds to fill those vacancies. She said that hasn't been approved, but she is hoping for approval this evening.

- Councilor Dominguez said he understands currently that the Water Division could repay \$1.1 million without a rate increase and Mr. Romero said that is correct.

- Councilor Dominguez asked what would be the impact to the ratepayer if the \$1.1 million was repaid, and the reserve was needed for an emergency.

Mr. Snyder said there will be no problem under that scenario in paying \$1.1million this year.

- Councilor Dominguez asked if that would leave adequate reserves for an emergency, and at what point use of the reserves would impact customer rates.

Mr. Snyder said anything over \$1.1 million. He said the effect of the \$1.1 million payment would be that in future bond years we may have to increase the amount of our bond sales, noting that is depending on reserves and revenue generated by the enterprise.

- Councilor Dominguez said then the \$1.1 million is a one time payment from reserves and repayment isn't sustainable. Mr. Snyder said this is correct.
- Councilor Dominguez asked, regarding Health Fund reserves, how much have we taken from those reserves in the past.

Mr. Romero said in 08/09 or 09/10, we used \$1.5 million of the reserves.

- Councilor Dominguez asked how long it took the reserve to build to its current amount.

Mr. Romero said the City is self-insured, and this year it would cost \$15 million to cover employee health care costs, and that is controlled by the amount of health care needed for employees, and the amount recovered in premium payments.

- Councilor Dominguez said then there is no sustainable growth in that reserve, and Mr. Romero said, "You could say that."
- Councilor Dominguez asked the intent of the Health Fund Reserve.

Mr. Romero said the intent is to cover costs in the event there is not sufficient revenue, but if that doesn't happen, we won't need to use reserves.

- Councilor Dominguez said then if we continue to use that reserve it isn't sustainable and at some point it will be exhausted. He is concerned with the increasing cost of health care and premiums, and what is happening at the federal level, so we don't know how much reserves we will need.

Mr. Romero said, "Yes. You could say that."

- Councilor Chavez thanked staff for the information on employees who have and have not received a raise. He acknowledged all of the work which has been done to balance the budget, although there is still a gap of about \$4 million, noting Mr. Romero has identified \$3.8 million in reductions. He would like this information to be made available to the public and City employees.

Councilor Chavez said another option is the Resolution in the packet which would consider a reduction in salary and a furlough, noting there are two options and a list of furlough dates with associated costs indicated. He asked Mr. Romero to review those proposals.

Mr. Romero reviewed the options on Resolution page 2.

- Councilor Chavez said Ms. Gage prepared another scenario which is a 3-5% pay reduction.

Mr. Romero said if the upper half of employees received a 5% pay cut, it would result in \$2.3 million in savings, and if the lower half of employees received a 3% pay cut, depending on salary, it would save about \$600,000. Or, if the upper third of employees were cut by 5%, based on salary, it would generate \$1.7 million and on the lower two-thirds, would generate \$900,000.

- Councilor Chavez said those numbers aren't in the packet, commenting that this is a work in progress because it hasn't been discussed by the Committee in detail. He asked Mr. Romero to review the effect of the 5 furlough days. He noted that the 177 employees who haven't received a raise in 4 years would be exempt from this, noting this will change the numbers again. He said this is being presented as one of the options to consider at this point in time.

Mr. Romero reviewed the effect of the 5 furlough days as set out on Resolution page 2.

- Councilor Romero said she would like hold her comments and questions until after the Public Hearing.
- Councilor Dominguez asked, with regard to pay reductions and furloughs, if the amount listed is both General Fund and enterprise funds, and Mr. Romero said this is correct.
- Chair Ortiz said these numbers won't benefit only the General Fund, and are City-wide.

Public Hearing

Chair Ortiz gave each person two minutes to speak to Items #13, #14 and/or #15.

Gloria Mendoza said she wants more than 2 minutes to speak, noting all of the supporters for the tax, commenting that she may take 3 minutes. She wants Fire and Police personnel to remember how many times this community has supporting funding for their departments, over many years, at times when the City Council wasn't "keen to give you that money." She said the taxpayers came out in numbers and supported you. She is here on behalf of the poor, the struggling, people who rent, people who buy homes, people who spend their money here and keep our City and its services moving forward. She said if the Council passes the property tax, people will stop going out to eat, and cut their grocery bill to pay the property taxes.

Ms. Mendoza said this isn't the first time she's seen the Council divide this community, and they are doing it again between those who can and can't afford to pay property taxes. She said her telephone rang all afternoon, and people were telling her they will have to sell their homes and leave Santa Fe because they can't pay their taxes. She wants the Council and the unions to realize that. She said when people start leaving you are breaking the value system of our community, breaking up families, and your kids will have to move and be away from you, taking your grandkids with them. She said you don't realize the impact you're having on the people.

Ms. Mendoza said, "Maybe you think this the answer. It's not the answer." She asked why you don't sell all of the property the City owns in Santa Fe – the Northwest Quadrant, buildings. She said maybe it's easier to just get the money from the taxpayers, noting "we are getting taxed to death." She said there will be more stores closing and less revenue coming to the City because people will budget and hold their money. She said the Governing Body opens its wallet "every time you turn around," to put in new trails and roundabouts, asking "who the heck needs those circles to go around." She said they have the money to put things in Santa Fe we don't need, and now "you're hurting and we refuse to pay higher property taxes." She hopes the people who "take your place are more fiscally responsible. You have not been responsible."

Ms. Mendoza said you need to hold meetings in different parts of the City and ask the people what they think. She said each and every one of you don't want to hear that you're fiscally irresponsible. She doesn't want to pay for Councilor Wurzbarger's trips to other countries to bring more tourists over here. She suggested Councilor Wurzbarger travel on the money she makes as City Councilor.

Ms. Mendoza said, "Mayor Coss and Councilors and City Manager, today I sat out there at the Plaza with a ballot box, giving people the opportunity to know what democracy is about, to let them vote for or against this property tax increase. And I was there for two hours. One of the workers working at the Park there comes over and says, 'what's that.' He goes, 'Oh, I've already signed the paper to have property taxes.' And I go, 'You did.' He says, 'Yeah. A petition he said.' And I go, 'Really, and this was eleven o'clock in the morning just as I was setting up. And I said, 'Really, who gave you that paper,' and he told me who it was. And I know there's a petition going out by the coalition that wants higher property taxes, they're willing to pay. I know there's a petition going out, and they're giving it to City employees and City employees are signing them during working hours. So, from now on, when I have a petition, I don't care what the petition's about, I want to be able to come into City offices and get signatures and nobody question me."

Susan Odysseus said she is here, through St. Bede's Church, Interfaith Work Justice, to support this Resolution for all who understand we all need to be in this together, noting she likes the wording of the Resolution because it clarifies you have done a lot to make sure there is as little waste as possible. She said the Resolution could be improved. She said we have a choice. She's attended the Finance Committee and the City Council and sees the challenge to meet the needs of the citizens with the services the City provides. She has heard Councilor Ortiz talk often about the need to continue to provide needed services. She feels we are spoiled and have come to expect/demand the services we have and don't want to lose them, but we have to pay for them. She spoke about the Resolution which talks, among other

things, about transportation and the need for people to get to work, and cutting that service would be "horrendous." She said there is a balance between the cuts and savings, and the proposed tax, which she believes is the way to go.

John Hendry, Business Agent for AFSCME Local 480, Film Technician's Union, said he represents 500 members, with a payroll of \$20 million, a direct spend of more than \$100 million, and an economic impact of \$300 million. He is the Chair of the NM Federation of Labor, representing 179,000 members and families state-wide. He said the Governing Body has a difficult decision, and no one wants to raise taxes only as a last resort, and this is a last resort. He said they appreciate the Governing Body's efforts, and said, from his members and all of labor, "Do the right thing, and we've got your back."

Rev. Holly Beaumont, Director, Interfaith Justice of New Mexico, an affiliate the National Organization, which works with faith and union groups nationally to organize events to address the current crisis – budget crisis/budget deficits — which are causing us to make difficult choices and too often choices that hurt the working families. She said she looks forward to tax code reformation so it reflects the mandate of our religious traditions – those to whom much has been given, much is required." She said that mandate has been flipped, "those to whom little has been given are being asked to make sacrifices." She said we need to pass this tax increase now or the quality of life will slip away. She encouraged the Committee to have courage. She said Councilor Wurzbarger has made this plea again and again during her years of service. We can't let our community services slip away, and we can't ask our working families to make sacrifices the rest of us are not willing to share.

John Gordonair, said he provided a handout, "Property Tax Questions," to Ms. Green for the Committee. He would encourage them to respond publicly to all 6 questions. He would like the Council to respond to #1 at this time: "1. Has this Committee obtained an opinion from the City Attorney or any other authoritative legal source on the issue of whether the levy of a property tax for the purpose of funding a deficit resulting from excessive spending constitutes a 'general purpose' within the meaning of New Mexico Statutes, Title 7-37-7B(1)." He would like a response.

Chair Ortiz said the Committee has received an attorney's opinion on property taxes and he is asking the City to release that opinion as well as to answer these particular questions.

Robert Urban, Board Member AFSCME Local 3999, said he is here on behalf of the members and for himself. He said he is for keeping Santa Fe working without service cuts, and to take care of social programs. He doesn't want the working people to lose jobs, or for the community to lose any services. He said he works hard, barely making ends meet, and he is asking the Committee to look at the whole picture. He is here to ask what they can do for the City and to support the proposed tax increase.

Bruce Weatherbee, Rosario Hill, President, NNM Central Labor Council, which represents public as well as private sector employees. He said these people understand we are all part of the community, and we need to step up and contribute a little more, so we have a decent way of life. He said no one likes taxes, reiterating that we have been saying no to taxes for 30 years in America and it has destroyed the infrastructure and other things that our grandparents and parents built and gave to us to take care of. He understands people don't want to pay more, but we reach out in knee-jerk reaction saying no a new tax or anything that is part of the community. We need to stop that attitude. It won't help us in the current crisis.

Mr. Wetherbee said there currently are 81 unfilled AFSCME positions, and the public needs to understand that there have been very many cut-backs, and we now need to look at how to preserve the services we expect. He said this Council did something noteworthy when it adopted the Living Wave several years ago. He said it worked, and didn't put people out of work, noting the unemployment rate in Santa Fe is less than anywhere in the State. He asked the Council to take that forward-looking action again and approve the proposed tax increase.

Angela Merkert, Executive Director, Faith at Work Community Outreach, member Leadership Alliance, said the alliance has endorsed unanimously the tax proposal. She is concerned at the impasse and ripple effect if we further reduce services and impact the lives of our citizens. She said calls to her office have increased to 4,000 per month who are calling requesting housing and utility support. She said there is an invisible population with a higher unemployment than the official numbers would indicate. The pact of service reductions will compound these issues. We need jobs, not cuts in, for example Transit. She said there will be people who will lose their job if there are bus service cuts, because they need the service to get to work. She said people need parks where they can be safe, and where they can spend time away from housing they may be sharing with other families. She said the homeless children and youth in the City is the highest she's seen. She said it is a courageous leadership position to offer Resolution. She heartily endorses it, and we need to be thinking about how to care for the common good. She said although we don't like taxes, we have a responsibility to support our infrastructure and services.

Cindy Katz, a realtor, homeowner and business owner, said she was a public employee for 24 years and believes she understands both sides. She said the union members think we're trying to balance the \$8 million deficit on their backs, but this isn't what they're trying to do. She said the City Manager said he has come up with \$4 million in cuts, and this Committee hasn't taken a hard look at how to get the other \$4 million, noting the City Manager didn't have the answers to half the questions about the other \$4 million. She asked them to look at that, and negotiate with the union, and then decide whether or not to raise property taxes. She said services are important. She said an increase in the property tax will hurt Santa Fe.

Barbara Conroy said she lives in District #1, and is a property owner. She said the property taxes here are much less than anywhere else she has lived. She said it is a good benefit and a good bargain, saying she would like to raise three points. First, cutting things sometimes costs more later, although there are savings in the short run. Secondly, she would hope the Committee would look at priorities, particularly if taxes are increased. The third is she really feel our value system is here and the social services offered here are essential to our health and well being.

Mary Russell, Adobe Inn, said she doesn't see your way of thinking. She said you want to cut Sunday and evening bus service and raise fares. She said many people are looking for jobs, are homeless, disabled and elderly, and can't afford a 25% increase. She uses City transit 7 days a week. She said you should be wanting to promote job security not taking it away. She said if Gov. Martinez stops the Rail Runner, Santa Fe will be a ghost town – less tourism, more homelessness, more crime, more soup kitchens. She is here on behalf of the homeless. She said there are more soup kitchens in America and there are 10 million kids in America who are dying of starving. She asked if you can look at a child and say, "Well I'm a property owner. I can't afford for my taxes to go up." She asked, "If we will be able to face God in judgment and say that you all did the best of your abilities to serve him."

Andrew Padilla, President, AFSCME Council 18, said Council 18 represents 10,000 employees statewide, noting the local affiliate is AFSCME Local #3099. He said Chair Ortiz eloquently framed the two choices. One is to take from the employees again, cut public services, or a small tax increase. He said the public employees have done their part – furloughs, unpaid holidays, and are being asked to do it again. He said Santa Fe is envied because of the services it provides to the public. He said some speakers spoke about fiscal responsibility, commenting that it is easy to demonize a politician, those who are trying to balance our budget. He said when it is hard to pay our bills, somebody has to get another job, as well as to cut spending. He said you have cut spending to the bone, and you will hear from the public when you start to cut services. It will impact the morale of the public employees. He said what some want is a tax on the public employees which is wrong. He said we have to maintain a balance by bringing in revenue and cutting spending. He said it is the banks and corporations who have put us in this crisis and they are the problem.

Mr. Padilla said employees are also taxpayers. He said we should "pay as we go, watch our spending and let's get out of this together. I'm against cutting any employee's pay to balance a budget – a tax on a small minority. That is illegal. I heard a question about the legality. The New Mexico Constitution says you can't tax just a small minority. Has that question been answered. I am for fiscal responsibility, and that's a small increase in revenue and let's move forward."

Elaine Anton, 10th generation Santa Fean, has lived and worked in Santa Fe all her life and currently is unemployed, having lost her job. She is on a "major" fixed income limited, and she will be in serious trouble if you impose the proposed tax, as are thousands of other. She started a local non-profit thrift store, and people shop there to support the cause, as well as that they have no other choice. These aren't greedy homeowners who drive fancy cars and live in fancy homes, but they are the heartbeat of

Santa Fe, and live on fixed incomes. These people elected you because they believed they could trust you and you would do them no harm. She said you need to balance the budget, but if you can't do that without "kicking these people" when they're down, then maybe you're not the ones for the job. She doesn't want them to add to the "burden and despair of these people."

David Quintana, 2529 Calle Melecio, lifelong resident, said some of our Councilors ran to keep Santa Fe affordable for those of us who were raised in Santa Fe. He said this tax increase contradicts that. He said there needs to be shared sacrifice. You are lucky to have a job if you work in the private sector, noting employment nationally is 8.9%. He works for the State and their pay has been frozen for two years, while they have contributed more for their benefits which he doesn't see as a slap in his face. He is thankful he has a job. He said there are 20 people in line for every job, and believes that is the case in Santa Fe. He said our country has been experiencing serious economic problems for the past 3 years, but union employees in Santa Fe have continued to get a pay increase of a total of 12% over the past 3 years, although it was offset furloughs last year, and another 3% could be offset this year. He said a 6% increase in pay would be considered a godsend over the past 3 years.

Mr. Quintana said in looking at how to balance the budget, you have to look at two sides. However, when you have to take money from the taxpayers to fund government, we don't have an option and we can't generate more money. He said it has been said that GRTs are at 2007 level, and \$8 million has been lost. He can't understand the reason the City's budget needs to be at \$80 million. He said this tax will impact homeowners and renters because landlords aren't going to "eat" the tax increase. He said the poor of this City rent, and will see their rents increase. He said \$6 per week constitutes a 40% increase in taxes which is a big increase. He said the tax increase takes away money spent locally. He believes there are other options to look at, including the fact that the City will have to make more cuts eventually. He received a letter from PERA in January that the Board is recommending a 6% increase in contributions over the next 3 years, noting 60% is from the employees. He asked if the Council will be coming back for another property tax increase so the City's PERA contribution will be met. He said obligations won't cease. He said the benefits of City employees are very lucrative, but cutting salaries is long and impacts their pension and shouldn't be an option. He said reducing employees pension to 75% is still a great pension. He said we need shared sacrifice and to think about the big picture, and this isn't the last time you'll be looking at a budget gap. He said we need to reduce spending to the, for example, 2004-2007 GRT levels.

Hank Hughes, Coalition to end Homelessness, thanked the Mayor and Councilors for the courage to propose a property tax increase, which isn't an easy decision. He believes it is fair to increase taxes and cut spending. He said the low income people in the community rely on City services, and to cut them further wouldn't be fair or worthwhile. He said City employees have taken as many cuts as they can. He said we all need to contribute to the solution. He said he rides the bus to work every day, and if you make the proposed cuts that would make that impossible, noting his route is on the "chopping block." He said the proposal by Councilor Chavez to provide funds for people who can't afford property tax increases is a nice thing to do, and important to keep some people in their homes.

Joel Villarreal, Staff Representative with AFSCME, said they also represent workers in Santa Fe. He is concerned about the vast contrast between the two options. He said people are mistaken about the 4% increase in property tax, and at the very same time some people think we should balance the deficit on the backs of the workers. He said half of the \$8 million is already "coming down on us." He said people have made their sacrifices. He said their bargaining unit is the only one that started working on the offset in 2009 with the City, and agreed to a \$1.3 million work reduction. The offer was made in good faith to do our part. He said they even overlooked the hiring of temps to temporarily fill vacancies traditionally filled by union, noting permanent employees were furloughed while this was happening, but they were patient because they knew sacrifices had to be made. Additionally, there are approximately 80 in the General Fund, of which about 1/3 are AFSCME jobs. However, the missing employees have led to a reduction in the quality of service. He said people complain about the condition of the streets, but that isn't because people decided not to work. It is because they don't have the resources to do this.

Mr. Villarreal said the General fund is only one section to the budget, noting 2/3 of the union members aren't paid from the General Fund, but they are sacrificing anyway. He said he thinks the Council should talk first about furloughs and cuts and then talk about a tax increase. He said if there is no tax increase, the full \$8 million will be balanced off the "back of the City," which will lead to closure of transit routes, libraries, community centers and acute reductions in services impacting the poorest workers. He said there is only one union which is furloughed which is AFSCME, because they're not public safety employees. He said, however, their jobs are just as vital. He said AFSCME always takes the punch and they're asking us to do it again, but no one else has given up anything. He said most of their members make about \$13 an hour, which isn't an amazing wage. He said 5 furlough days for the whole State produced only \$11 million in savings, noting we're talking about \$4 million, and asked how many furlough days that would be for 600 workers. He said this has played into the "hands of the anti-government" movements, and they will be wanting to privatize with someone who will do everything cheaper, but is not accountable to the government, which doesn't have to account for the way they spend the money.

Mr. Villarreal said the property tax increase is needed. He also said there needs to be a City-wide analysis of the impact fees, and if the fees are doing the things for which they were imposed. He said they are willing to work with the City but the solution needs to share the sacrifice equally.

Edward Brown said another business closed this week, Naturalizer Shoes. He said the GRT is a problem, and noted he emailed Chair Ortiz suggesting setting up a State-wide commission to get off the GRTs and find a better way to fund government, noting perhaps that can be done with the new Governor.

Chair Ortiz asked if that is because the Governor is supporting personal income taxes.

Mr. Brown said no, but perhaps we could go to a sales tax and a reasonable property tax to fund government. He sent an email to the Mayor and Council about staffing government, vis a vis Las Cruces and Rio Rancho which are about the same size, but we have 1,000 more employees than Rio Rancho and about 160 more than Las Cruces. He has heard nothing about streamlining City government in the budget discussions which needs to be done. He said, "Many of you have received union money in your

last campaign which means a conflict of interest in your voting, so you need to take that into consideration and possibly abstain from voting on this. And I am against the property tax increase."

Maria Naranjo said she is a lifelong resident, and lives in the home her parents built in 1939, and she is here to speak against the property tax. She said these difficult economic times affect everybody and increasing property taxes on the small property owner is not the solution. She said if revenues are depressed, then cutting cost is the solution. She said property owners can't impose a tax to increase their revenues. She said this will force the problem on property owners, noting City services affect all citizens, and property owners shouldn't carry the entire burden. She said increased taxes will impact small property owners, noting they are facing a 21% increase from PNM, high water rates, climbing gasoline price, increase in the cost of natural gas, less food for the same price, increasing health insurance premiums and costs. She said the tax increase impacts an already sluggish market. She said property values have decreased, but property taxes are increased. She said property owners are losing their homes and businesses to foreclosure, and many are "hanging on by a thread," and increased property taxes will add to foreclosures and homelessness. She asked that the City Council look for more cuts and don't increase property taxes.

JoAnn Morrissey, homeowner and taxpayer, and works with the homeless through her church, noting she serves on the Board of several non-profits. She is aware of the needs, especially of children, noting they already are cutting budgets, and "you have to do the same for the City and not force the taxpayers into paying what the Council has been unable to accomplish through fiscal responsibility and streamline the City employment roll." She said you shouldn't worry about the film industry, worry about us. She said, "They have your back, but we have the vote." She said housing values have decreased and businesses, including hers, have closed, and the people they employed no longer have jobs. She said both of her sons live here and have lost their jobs. She said people without jobs can't pay their mortgage. She said we pay separately for water, power and garbage. She said out taxes should go to our schools, but our schools are among the worst in the State and Nation. She said our taxes are supposed to go to road maintenance. She has been a union member and comes from a union family, but she also was a business owner and asked who is looking out for them. She doesn't have benefits or a pension. She said unions were formed originally for OSHA and child labor laws to protect us, and to fight big businesses who were oppressing workers. However, today the unions are fighting the taxpayers who are small businesses and going out of business. She said you are obligated to care for the private sector as well as the public sector, and she asked them to consider this – watch out for both sides. She respects those who spoke tonight about their perspective. However, we can't afford a tax increase in any amount. She said an effective Council doesn't raise rates arbitrarily, especially if they want to continue to represent the people. She asked them "please don't let us down."

Richard Martinez said he understands the City borrowed \$1 million to purchase Pete's Pets, which should go to the workers. He said the \$150,000 to open the Zia Station should go to the workers. He said we paid \$45,000 for a study on the River, noting "it runs when it rains, so we don't need that," and we should give that money to the workers. He said the Council spent \$3 million to develop the Northwest

Quadrant, but "not a piece of dirt has ever been turned, and never will get turned." He said all of this should go to the workers and not to your "pet projects." He said this is a guessing game right now, noting the \$1 million for Pete's pet is an IOU.

John Greenfield said this tax increase will be imposed on everyone, so it is incorrect to say that the tax increase will be only on a few. He said the tax increase appears, to him, to be permanent, and this is a permanent situation, and doesn't believe a long term tax increase is appropriate to solve a temporary problem. He said the other solutions appear to be short-term solutions.

JoAnn Vigil Coppler, President, Santa Fe Association of Realtors, representing 800 affiliates, said she also served twice as the Human Resources Director of this City, and worked under some very esteemed City Managers and Mayors. She said as HR Director she worked on City budgets, and knows a lot about how the City budgets and plans, and about human resources and how to make ends meet working with City employees to be sure it is a win-win situation. She knows "how the games are played on human resources and how you give people raises without accounting for them and how you stockpile employees who need discipline very badly, in areas where maybe nobody will notice where they are placed, rather than dealing with disciplinary issues when they should be done. Those things are very costly." She thinks this is no different.

Ms. Coppler said the Association's job is to represent the homeowners of the City, protect their property rights and help them find their dream home. She said the National Association has produced a report that says every home sold creates 2 jobs, which indicates the economic impact of the housing industry. She likes the slogan, "Keep Santa Fe working," and has another slogan, "Home ownership matters," and we need to keep homeowners in their homes. She said some people can, and some can't, afford to pay the increase, but there are those who can't afford the slightest increase. She said they don't want increased short sales/increased foreclosures, which currently already are impacting homeowners. The increased tax will further worsen existing property disparity, which the "property tax lightening bill" didn't fix. She said, "We believe that is easier for you to raise the property tax than to make hard decisions."

Ms. Coppler said this Council turned down the Walmart liquor license which would have brought income to the City, and two years ago, turned down a \$1 million donation to the Southside Library by an esteemed Santa Fe family. She said that could have impacted the current crisis. She said the Association is not convinced that you have looked deeply enough into the organization to find the excess fat, and if so, we don't know where that is and where you have made cuts. She suggested that there be an on-line budget to explain the budget cuts to the public. She said they are not convinced that the City is managed efficiently and effectively. She said the deficit didn't happen overnight, and this isn't a surprise and should have been dealt with during the mid-year budget reviews and annual cycle.

Ms. Coppler said City funds should be managed as if you were spending from your own checkbook. She said you need to make the hard decisions, tell us where the money is going and we will gladly pay.

Forest Thomas, Thomas Property, said he is here to speak on his behalf, his tenants behalf and the unintended consequences of the property tax increase. He has lost 8 tenants since the crisis began, and said the Council is dealing with the circumstances. The City is in a tough position, and having to deal with fallout from a global problem. He said the key method of appraising commercial property has to do with a cap rate. The net effect is that if you increase taxes by \$1,000, you decrease the property value by \$10,000. He said the actual cash value won't impact his decision to stay in Santa Fe, but it will impact the tax base. He said these are community issues, and not specific just to homeowners and property owners. He said increasing GRTs would be paid by everyone and would be more indicative of the people who use City services. He asked the Council to seriously consider the impact on property taxes, and what you expect to receive. He asked the Council to consider that the working people and small businesses are really being affected.

Ken Joseph said he hasn't heard a lot of talk about creating additional value, and you are instead proposing to raise revenue through taxes. He said we have had excellent efforts by the City and non-profits on economic development, with a strong effort to attract businesses which can offer good jobs. He said small businesses are the "engine of the nationwide economic, and what caused the crisis in the business. He encouraged the City not to continue creating the bias where there's no point in creating economic development. He encourages the City not to increase property taxes.

Tim Ladan said he and his brothers own commercial and residential property in Santa Fe. He said his tenants are having a rough time right now and "holding on by a shoestring." He said they are holding a lot of rents because people can't pay, but are getting to the point where they can't continue to do this. He said they haven't had many increases over the past 10 years, but they can't continue. If there is a tax increase, he will have to start raising rents and will lose 5-6 tenants. He said we have lost a lot of small contracts. He said they are against the tax increase.

Stefanie Beninato said, "I read in the paper that somebody actually read the City Council ordinance, charter, whatever, and you all can take this to a vote of the people, and I'm asking that you do so. So apparently, the advice you for from Mr. Zamora wasn't quite accurate, and I would ask that you look into that a little more closely, because again, I believe you actually can take this to a vote of the people and I think you should." Ms. Beninato still hasn't heard about an audit for the City, noting Mr. Balderas was requested over a year ago to do an audit. She doesn't know how you can propose to do this without an audit and know where things are "bleeding out of or not coming to" the City. She wants to know what happened to the books done by Sunstone Press, commenting she believes those never got to the City. She has asked the Mayor, the City Manager and the Attorney, but nobody seems to care what happened to those books, and this is \$7,500 that went out the door and nobody knows about. She things you should look at these things, which would make her feel better about decisions being made. She said this conversation is based on fear and polarization. She appreciates that Councilors Bushee and Chavez have pointed out ways to save without either raising taxes or cuts in pay.

Ms. Beninato believes "your supporters, Mr. Mayor are mathematically challenged when they say it's only \$100 per year, because 1.16% of \$100,000 is \$1,160 per year." She said taxpayers will have to pay almost \$100 per month to pay taxes on a \$300,000 home. She is a property owner, small business owner, and can't afford another \$100 per month. She said her tourism business went down 30% in 2009, and last year was down 50%. She is having difficulty paying the annual water increases. She would feel better about this if all of the union people actually lived in Santa Fe and would help bear the cost of the increase, and if the non-profits were paying property taxes and if they were being creative and trying to raise money privately, rather than thinking the City should continue to fund them at the current level. She said in 2007 you increased property tax for public safety, and a bond for Parks last year. She said City Union employees for a 4% raise in 2009, and took home the same amount of pay even after the furlough, and they got time off. She said there are many things you could do such as reduce the dental coverage to a reasonable amount, and retire people early rather than paying them for their sick leave. There are many creative ways the City could save money and agrees with previous speakers "that you're taking the easy route." She thinks it's wrong to polarize workers against property owners. She thinks "Keep Santa Fe working," is a misnomer. She said you need to figure out ways that jobs can be done more efficiently.

Michael Shaffer said he is a recent arrival to Santa Fe. He said one of the worst mistakes you can make is to cut services. He said cutting employee pay creates a morale problem. He said nobody wants higher taxes, but if you don't have services, you don't have prosperity. He suggested the City have a hardship for those who can't pay the property tax and have it paid when they are deceased, so people can stay in their homes. If you don't have services you have a deteriorated community. He said this is a hard decision, but if you want a prosperous community you have to have services.

Anna Adams, District #3, said she can't improve on "what the lady in blue and Ms. Naranjo said." She is against the property tax. She disagrees that services create prosperity, but it is the private sector that creates prosperity. She said raising taxes is an easy out, and once you get the money, "it's whee, party time. It's more spending and more debt later on, and you'll come back and ask for more." She said it's time to get serious about the budget, and not do it on the backs of the citizens of this City. She said don't raise property taxes, but cut expenditures. She supports Miguel Chavez's position.

Bob Katt, Santa Fe native and a representative of Chain Breakers Collective, a bicycle collective. He said raising of taxes is good, because if we cut services, such as transit, it will impact all the people for whom he works, because they travel via City transit and bicycle. He said Chain Breakers has 700 Santa Fe members who support "Keep Santa Fe working." They are gathering testimonials and petitions, noting they have more than 600, with regard to how tax increases and health service increases would impact people. He supports the "Keep Santa Fe Working," proposal and thanked the Mayor and sponsoring Councilors for the Resolution supporting working families. .

Unidentified said he is new to Santa Fe and the Council has difficult decisions – balance the budget by taking money from everyone in Santa Fe who is lucky enough to own property or take money

from fewer people. He doesn't see the best option suggestion which would be a property tax which kicks in at \$500,000 or \$1 million. He said \$1.16 on every \$1,000 of property is .116%, and asked if this is correct. He said you would pay \$580 a year on a house valued at \$500,000. He said the 5% pay reduction would be \$500 from every \$10,000 of income, or \$2,500 on a salary of \$50,000. This is more than you are asking of a \$500,000 property owner. He doesn't think this is a very difficult decision.

Hannah Crawford, volunteer, Chain Breaker, said she supports property taxes, but is against cutting transit service. She spent yesterday riding the buses and talking to people who "couldn't get anywhere if it wasn't for the transit system." She urged the Council please not to do that. She said it is an incredible privilege to be a property owner, noting she isn't, and her concern is transporting people to health appointments, and for people to be able to buy grocers. She said if you cut salaries, you preclude people from home ownership.

Tomas Rivera, 109 Quapaw Street, volunteer, Chain Breakers, said he is here to speak as a homeowner. He has to work two jobs to make his mortgage and struggles to do it. However, he would rather pay a slight increase in property taxes than to watch house burn down, or to worry about having someone break into his house. He believes this is an absolutely fair proposal which helps us to come out of the economic crisis and spreads the cost across the City, rather than only on the City workers. He said he is the 4th generation living in his home, and he supports this proposal absolutely as a homeowner, and thanked the Mayor and Councilors supporting the "Keep Santa Fe Working" proposal.

Sharon Archenbright, nurse at St. Vincents, member of 1199 Healthcare Workers Union, said she also participates in the Central Labor Council. She really believes in the property tax increase. She said she sees an increase in the severity of the cases in the Emergency Room, and people are "coming in way sicker because their needs aren't being met." She has lived in other states, and said the property taxes here are so low compared to California, Texas and New Jersey. She said, "I would like to pay more property taxes. Please vote yes on this."

Jen Garcia, said she's a wife, mother of 4 children, small business owner and a long-time resident, and approves the property tax. She said her children, husband and children are with her this evening. Her son will be going to West Point this year, and he looks forward to cutting weeds this summer at the Parks Division to earn money to help pay for his school. She has a 14 year old who rides the bus to the Southside Library, and her 3 and 4 year old children attend First Presbyterian. She said she pays \$1,700 per month for child care. She said, as a resident, this is a small amount to ask for the quality of life to provide services and not leave anyone behind.

Marilyn Bane said she has a question. She said she learned a lot tonight. She asked if we are in a situation where we are talking about cutting services if we don't do a property tax increase, although she doesn't think we are. She asked the Committee to clarify that. She said Holly Beaumont quite rightly said

for those to whom much is given, much is expected. She said she would point out that there are people fortunate enough to have a lot in this life, have worked for it and live in Sante Fe, and have chosen to devote their time to non-profit activities and to be involved. She said a little balance is needed. She said everyone will be paying the property tax, except those who live in Rio Rancho, rather than Santa Fe. She said this will be difficult, noting she has supported a property tax in the past, but to be extremely careful before doing so.

Adrian Dalton said he has a difficult time listening to a businessman say that if you raise the property tax he will pass it on. He said that is typically American. He said at the same time he's telling you he supports small business, and he can't wrap his hands around that. He said if he was a business man, he would want to invest in the people renting his property, and perhaps would "give them a moratorium of one year." He said a lot of people look at their home as an investment, but he doesn't. He hasn't inherited any property, his mom and dad are still alive and he hopes they spend it all because they earned it, not him. The bottom line here is that he cares about his membership and the citizens of this community and about the Governing Body, because you are citizens. He said they haven't taken on an easy job. He said he has had the privilege to speak with most of you. He said this is a very serious issue.

Mr. Dalton said he is trying to build a home for his son. He is a transit operator, noting he worked 20 years in the public sector, and he used to think like the people in the audience. He has no retirement, and therefore he is doing something else to build for his future and the reason he works for the City. He likes people. He grew up a "latchkey kid," and he is tough, but he understands the value of hard work, so he understands that "you are resting with the dragon, and there's not going to be an easy answer to this whole thing." He said his local union is working to help the City to be part of the solution. He said people are wrong when they say to cut people because they don't do anything. He said all of us are human beings, and will die some day. He said his father in law, who passed away last night, told him "Don't give up. It's not easy being an American." He said this is a mess and we need to clean up it up together. His membership, his family are here to help.

The Public Hearing was Closed

Chair Ortiz said in this mix and the reason these two bills were combined for hearing, is because it has to be a blended solution. He said because of our efforts over the past two years, we have reduced services *de facto*. He said because of an underlying philosophy in this City, we have not touched personnel costs and we have "shaved and shaved and shaved." He said the City has taken capital improvement monies which could have gone for road improvements, for capital infrastructure, to balance what is an increasing cost of personnel. He said if Finance staff could have had this information available for Item 12, you would see that over the past 8 years, during good and bad GRT years, our GRTs have been collected at 4.2%. He said we have been spending 4 times more money than we have been collecting in GRTs. He said the bill he introduced would have been a way of looking at personnel costs tied to the tax on which it is based.

Chair Ortiz said we have been doing stop-gap measures for the past 3 fiscal year. It is convenient because employees don't take a hit and we don't make tougher decisions on what services should or shouldn't be cut, and we close the gap by taking from one pot to fill another pot that continues to show a deficit. One of his concerns with the tax proposal is that it is undefined, and the tax increase is going to fill a hole with no particular purpose. He said he is sensitive to the employees who say don't put the burden on their backs and don't tax this small group. However, in the last 5 years, the Police Department has received an average 10.5% increase in salaries, Firefighters have received 10.5 % and AFSCME about 12%. He said pay increases have been given for economic times which no longer are before us. He said we are in a situation where, even with the tax increase, we will be facing the same kinds of budget deficits, stop-gap measures and stop-gap approaches as to how we deal with the budget. He agrees that it is everyone's sacrifice, including public employees that received raises when we thought and budgeted for better times, but the better times have not come.

Councilor Ortiz asked what we are going to do when personnel accounts for 80% of the cost. He is sensitive to the fact that furloughs can work for only certain City employees, noting we can't furlough Police Officers or Firefighters. However, their percentage of the General Fund budget equals 44%. In order to talk about cuts, we have to look at it across the board, uniformly and fairly. Or, if the tax is to be proposed, to say exactly what the tax will pay for. He said some of the work done by staff has been done at the direction of the underlying philosophy which he believes we can't continue to hold onto – "Do everything you can, but don't talk about cuts in positions and don't talk about cuts in pay." He believes we are past that, and the proposed tax increase, is a compromise for the work we've been doing for about 18 months, is not the approach he can support.

Councilor Ortiz said, "To the extent there is a solution, I think it comes somewhere in the middle. I don't think we are close now. I think there is more detail that needs to be brought up. But I do want to thank, especially the representatives from the blue collars, AFSCME #3099, because they have stepped up to the negotiating table. They have said, on the table, what the sacrifice is, and I would encourage that those people, the firefighters and the police, their time has come, and I think there is no way we can get around that fact. And again, I think that some of the public comments were necessary, and I think there can be more discussion and public meetings about this. I do know the answer to the issue as to why we have to attach this, not as a public question, but as a Council question. We answered that in your first year. That City Attorney and this current City Attorney gave the same answer. That decision rests with us. We can say we want to go out to the public, but when it comes to recurring expenses, we don't have the authority. We only have the authority to tax for those items we're going to raise that against. If we were going out for a bond issue, yes, we could put it out for a public vote and the public could decide if they want to spend it on the Southside Library which is what we maybe should have done. Or if they want to spend it on Genoveva Chavez or any or those other things, but we didn't do it that way, and we can't do it that way now, despite some of the emails and comments I've received from, largely, people of a particular political persuasion. We just don't have that ability, and it's got to stop with us."

Councilor Ortiz continued, "And I still think we have more work to do, but I think a compromise can be made with the figures that have been made, but everyone is going to compromise on this: public workers and employees, the police and fire, as well as the public. So that's my sense of it."

Councilor Bushee said this is a good summary of our financial situation for the past 5 or more years, and agrees with much of what the Chair said. She said the statement was made that our quality of life will slip away from us if we cut services and we don't do this tax increase. Her concern is that the last property tax increase didn't improve our quality of life in terms of public safety. She said, "We have the highest crime rate we ever had." She is hearing from people that they can't pay for their medicine if we impose this tax increase, or that they're retired or senior, and that they are being hit on all fronts and have no place to turn for help and their home is their only asset. She said some already have done reverse mortgages, and are trying to do what they can with what little they have.

Councilor Bushee said what has been frustrating to her from the start about the "Keep Santa Fe Working" proposal is that we hadn't finished our work and done the number crunching. She said we were just getting to that and the numbers were changing constantly. She hopes we can get some of these figures on line for the public. She said it has been frustrating to have a polarizing campaign with a lot of misinformation being bandied about. She spoke about phone calls from non-profits which receive the majority of their funding from the City, which she also finds wrong.

Councilor Bushee said there is misleading information about cutting services, and that isn't the scenario, and we aren't talking about cutting services. She said positions have been reduced, mostly management positions. She said these haven't impacted services so far. She said we will be discussing salary increases and pay adjustments later in the meeting, noting some are justified such as the Utilities Department Director who also is running three divisions. She said we can do better. She hopes there is a compromise in the offing. The way this has been proposed, and the phone banking and turnout and people with stickers, has missed the point. She believes that Santa Fe might begin to see a recovery during the next year. She said the construction industry is gone, and yet we are going to tax peoples' homes.

Councilor Bushee said nobody is trying to make this one burden for one group, but has concern about coming up with a \$4 million property tax increase at this point. She is glad to see Councilor Wurzbarger's proposed amendments, commenting that we won't be able to deliver services after annexation. She doesn't think we are at the point we need a property tax increase, although we might decide it is needed once we decide on these annexation phases. She said we are really looking at "slimming down" some of the employee benefits, given some may have to be negotiated, but that won't help us in the short term.

Councilor Bushee said, "I really don't understand why we're not taking that \$1.1 million as a payback from the water company, just as a bottom line starting point. You know that is not a reserve fund. The water company borrowed \$13 plus million dollars from the General Fund, and a lot of us don't want to see any more rate increases on the water company. So this \$1.1 million payback is absolutely something we should do and will not impact any rate increases. I would personally look at receiving \$1 million from the Health Fund, and I do believe we should look at the electric franchise fee. Right there, you've got over \$2.6 million, and that's not even with a furlough. And I did agree with the one speaker. I don't think you want to get into pay cuts. I think you're starting to affect more than just the bottom line for this year. You're looking at peoples' retirements, and you know, that's something else we're going to have to grapple with. But I'm just frustrated that this turned into this, kind of big fear-mongering, we're going to slash

services. That really does not do justice to the situation we're in and the solutions we need to come up with, and so I ask all of you that came down, I thank you for coming down. But, I do ask you get informed as to what is really happening, and we're not cutting services. None that I know of, but maybe the City Manager can tell me of a service that is slated to be cut. We are definitely looking at making government leaner and meaner to the extent of the size of it and our top management, and paring it down."

Councilor Bushee said she feels empathy with those on fixed incomes, and has heard from people who are disabled, who are seniors, and long-time local residents who can't survive here any more and small businesses. She doesn't believe we are ready to vote on these items this evening, and hopes there are no motions to move forward with the property tax increase at this point.

Mayor Coss said he doesn't believe there will be a motion this evening, and believes we are close to a compromise. He said, "Those of us who proposed it, proposed it as a compromise. A lot of discussion didn't point out that the City Manager in the past 18 months, working with the Finance Committee, has now come up with about \$4 million in cuts. And the Resolution, from the time it was introduced, called for \$4 million more in cuts, and those are on top of the cuts that we've already done in the last two years in living through this recession with the rest of the country."

Mayor Coss continued, "One thing that is getting clarified, to what extent the Council identifies additional revenue streams through property taxes, and the City Manager's sheet has some other revenues, they probably should be targeted to police and fire, to the Southside Library, Genoveva Chavez and some of those enterprise funds that are running at a deficit and causing us not to be able to issue a bond. We didn't issue one two years ago, so we can't fix streets, buildings. We don't have that bond in place without these revenues."

Mayor Coss continued, "You've said that City employees haven't taken any cuts, but just last week the Council voted, and I spoke in favor of it, and every single Councilor voted for it, incentive reductions at 20%, that's \$600,000 from the workers. Leave reductions 10%, that's \$1 million from the workers. And that \$1 million won't show up right away, but it will help us manage a stable budget. A flat budget. We're not just filling a hole that will appear against next year. We're trying to get on a stable footing with this. And when you add the \$600,000, divided between 1,500 workers, that's \$400 per worker already that the Council is asking for."

Mayor Coss continued, "And collective bargain is different in the public sector. The Council just sets the amount, and they're going to get there. They're not going to run it into arbitration. They're not going to go on strike. They're going to get \$400 per worker just to start cut right now, and another \$600 on average in the leave cuts that the Council voted, they're already voted on and they're already part of the \$4 million in cuts that we're proposing."

Mayor Coss continued, "So now we've heard proposals tonight – cut the employee health fund, take \$1 million out of that. Take \$1 million out of the water trust board... the water fund. We've done that. That's called stop-gap measures. That's not sustainable. That leaves us with the same budget hole next year that we had this year, but of course, we can take more from the workers next year. And we can keep doing that. We reduced the number of City employee positions by more than 300 in the last two years."

Those cuts are being made. Mr. Brown says he wants to see an efficient and effective government. You know, so do we. And people say that we never hold anybody accountable. Well you should be outside the City Manager's door sometimes, and I think the union guys can testify to that as well."

Mayor Coss continued, "So there are already \$4 million in cuts being proposed. And it's pretty easy to say, well nobody's proposed cuts to services. I have seen us try that three budget cycles in a row. I've seen them just float the idea of closing Salvador Perez for just a little while, and here's 400 signatures 'Do not close Salvador Perez.' You can do that for transit. You can do that for libraries. You can do that for seniors. All of these services that this community depends on, pick one, say you're going to cut it and you get this. And so you come back to, well, let's just cut the employees. And Councilor Chavez has made that proposal. 2500. Well that doesn't close the budget gap. 3,000. That doesn't close the budget gap. It's really in this society at this time, pretty easy to attack workers. And we won't say we will cut services, we're just going to cut the workers. And if they're in the union, literally they don't have the right to speak because they're in the union. We heard that testimony tonight as well. So, nobody up here is talking about cutting any services. We're talking about how much we're going to cut the working people that provide those services, and hope that then doesn't translate into a cut in services. But I think, once you've eliminated 300 positions, once you've got \$4 million in cuts that you're proposing to come out of employee paychecks, none to come out of your services yet."

Mayor Coss said, "I think what we proposed was a compromise. The budget is due in two months. Councilor Chavez has a proposal. Cut everybody on average \$3,000, and then do furloughs on top of that. That's a proposal. But in two months, at the end of May, we've got to turn in a budget to DFA. And so, I do hope for a compromise. I hope that it isn't around more attacks on the working families that provide those services, but I hope for a compromise."

Chair Ortiz said, "I do want to point out, because again I think it speaks to the kinds of issues we're talking about. The sheet that I have in front of us shows that we have gone up from 1,683 positions in 2005-2006. We have currently in our actual budget, 1,804 positions, and we have 1,750 that's being recommended for next year's budget. And so, to say that we are cutting positions and that we are therefore putting that cost on the employees, I think it is a disservice to the public, a disservice to the employees, when we haven't cut these positions. We haven't filled them, but we haven't cut them. And I have been one of the Councils who has actually cited what positions could be cut and where they should just be eliminated. But, to say that we have cut positions and to see that those positions are still on the table I think is to do a disservice. Second, it has not just been Councilor Chavez who has been talking about doing particular cuts. He's the one that put forward a resolution. There has been talk on this Committee and the Governing Body about putting in line our spending and personnel costs to the amount of money being received. So, to say it is just to lump Councilor Chavez as the proponent of that, is to misstate the comments that I have made, Councilor Wurzbarger has made, Councilor Bushee has made, that a lot of us have made, in terms of getting our costs square. And I'm not just going to allow Councilor Chavez to take the full brunt of the proposal, because he's not. He's been in some ways following and tracking the work that we've been doing when he was on the Committee as well as the work the Committee has been doing. So, it's not just a singular Council who's proposing this."

Mayor Coss said, "As have I, Mr. Chairman. And when you count the new positions, you've got to also recognize the additional transit service that we provide with the Regional Transit operations and the fact that we opened the Buckman Direct Diversion project this year and added positions there as well."

Responding to Chair Ortiz, Mayor Coss said the Buckman Direct Diversion employees are City employees.

Chair Ortiz said these are figures he cribbed from a sheet given to Councilor Bushee through the City Manager, and he has copies. He said we have not been cutting positions, we have been leaving them open and vacant. There is a difference between cutting positions and removing them from the books, and keeping them open for when times will get good, so you can't say we're eliminating jobs when you can see there is an increase in positions. It isn't accurate.

Councilor Wurzbarger said one reason she didn't sign onto the proposal for tax increase, is that she was concerned about the long term impact and that we were kicking the ball down the road, and she spoke with the Mayor about annexation and one reason she introduced amendments to the Resolution. She said since we are looking at annexation next year, we should be looking at something closer to a \$12 million increase. She said we need to put this out to the public. She is uncomfortable looking at a tax increase without a context to consider it.

Councilor Wurzbarger said there was a great article in The Wall Street Journal recently by Peggy Noonan who coined a term "crisisism." This is a condition where you don't know you're in crisis, because you're always in crisis and always have been in crisis and have always gotten through, so what the heck. She said crisis is an ability to comprehend that this time is different and this time it actually a crisis. She said her personal opinion, which she has been saying to the Council over the past several years, is that this is not a one year thing or a two year thing. She said if you follow trends nationally and internationally, we're looking at 2-5 years, and that makes our job even more difficult. She is willing to sit and work out a compromise. She wants to find out the numbers. She said part of the problem still remains public information to the public about what we've actually done to make that clear. She said whatever the number is, we have to have a justification and clarity about how spent.

Councilor Chavez said his Resolution is only one option. He commends City staff and Mr. Romero for their work. However, he is uncomfortable in using a tax increase as the only option. He said if the salaries and furloughs are at the discretion of the Council.

Councilor Dominguez thanked the public for their input this evening, and said this shows the passion on this issue. He said we're here to make these decisions and to have this debate. He said it isn't as if this was sprung on people just now. He said he has copies of the minutes all the way back to 2007 and 2008. He said there lots of ways cut, and consider the employee to population in Rio Rancho. He said the reality is that Rio Rancho and Las Cruces don't provide the same services that we do in Santa Fe, noting the trash pickup in Rio Rancho is done by a private company.

Councilor Dominguez said, in terms of compromise, this isn't new, noting he has minutes and reports and such from 2007. He has heard people say no to a property tax, without any discussion about

what that really means, which he thinks is unfair. He said when we bring the compromise in the form of a Resolution allows us to have that discussion. He said he has been looking at this closely, and it's not an easy decision. He said he is glad Councilor Wurzbarger proposed her amendments, because when we discuss whether or not slash services, he is still waiting for services in his "neck of the woods," adequate services. He said we can forget cutting those services, because they aren't being provided now, and this is what he is looking at now – whether said explicitly on a piece of paper or articulated by a member of the Governing Body.

Councilor Dominguez said it really comes down to two things. We can look at the expenditure side and how we can cut that pie in many different ways, and we can look at the revenue side. However, the reality is our expenditures are way higher than our revenues. He said we can choose to cut expenditures, whether through pay cuts to employees, or reduction in services, reduced management, get rid of the City Managers and all of our Department Directors as a way to cut expenditures. Or, we can increase revenues through fees, fines, increase in GRTs, red light cameras, and property taxes is only one idea. He said his dad always said we're grateful to be the country that we are. And we are grateful to be the City that we are, and part of that is that we pay for what we get. He said there is still work to be done in terms of efficiencies, and that won't end. There always will be room to make things more efficient and better.

Councilor Dominguez said, "To say that cuts, that somehow that sacrifices aren't being made, or we're not looking at this budget... this is a quote from the Santa Fe Realtors Association, "Has the City scrutinized efficiencies, services, programs, organizational hierarchy and cost prohibitive benefits to determine economical use of existing tax dollars.... we've been doing that ever since I was on the Council. I think if you look at the organization as it exists today, it's not the same organization that existed last year, or the year before, or when I first got on this Governing Body. Obviously, times are different."

Councilor Dominguez continued, "And then, Mr. Chair, I'll just end like this. I'll personalize this a little bit. You know I'm a public employee at the Highway Department. And I'm not so worried or concerned about myself. I've got this second job here to subsidize the cuts I'm taking at the Highway Department. But I worry about the employees I work with that are barely making any money, and yes their salaries aren't getting reduced, but they're having to pay more in health insurance, and they're having to pay more in retirement. And so, the fine balance for me is, yeah, maybe they still have a job to do, but at what point does the morale start to equal the reductions in service. Because all of the energy being spent by public employees wondering and worrying about what's going to happen. That's a hit, and that alone is going to reduce morale and that could translate into a reduction in service. And so, there's many ways to cut this pie, there's many ways to look at this debate."

Councilor Dominguez continued, "Real quick, Mr. Chair, I just want to say one other thing. Santa Fe has always done the right thing. Lots of debate. Lots of decisions have to be made. Some of the debate is very passionate, but Santa Fe always does the right thing. And there are Councilors up here who have been a part of that doing the right thing, and I appreciate that. And so, I thank you Councilors who have been here a lot time and done the right thing for this community in the past. I'm hoping the compromise we come up with will be the right thing. And I just really look forward to seeing that we address some of those ideological issues and get to a point where we can maintain the services that we

need, libraries, transit, whatever it is. I just hope that we can maintain those, because I have always said, and this is my opinion. I am of the opinion, as Frank Montano used to say, that when it comes to these tough economic times, it's the young people, it's the elderly, and it's those who are disadvantaged that take the hit the most. And if we continue to go in that direction, it's just going to get worse. And that's what I want to preserve – not making it worse."

Councilor Romero, said as one of the sponsors to increase this tax, she heard from a lot of people, and tried to return every email and phone call. She said, "To those who called, I hear your pain. I did the cowboy math and I actually did my cowboy math wrong. I'm self-employed, and I don't have PERA, and it will cost me \$348 a year. I also pay gross receipts tax on everything I own, plus any kind of self-employment taxes, so it's not an easy decision to make at all. But, I think of it as compromise. I'm hoping we will get more information. I liked that cowboy math term, but what it says to me is that we really need to verify our numbers. In my conversations with folks, I would ask them, well give me some direction on the priority for essential services. I'm okay with focusing on that. And everybody would write back and say yes, but... cut something else, the youth, cut the transportation that's bleeding us to death, cut recreation – cut something else, but don't do this to us at taxpayers. And having been working for the past several months with other non-profits and other boards I serve on, and looking at the budgets, it is about money in and money out. And writing development plans for non-profits, it's money in and money out. So I hope that we're all looking at efficiencies, every one of us up hear."

Councilor Romero continued, "But I will say to the people who wrote me, I hear your pain, I'm in it. I don't have retirement, so this is a really hard decision to make. I look at it as one we put forward in good faith to have a conversation about, and let's really have that conversation, not say we'd like to have it. Let's do it. Return the calls. Return the emails. Have the conversation up here, because as long as I've been on Finance, I think we've had good, civil conversations about the money in, money out, being more efficient. And I want to continue to have those conversations. For people who contacted me, help me understand what essential services means, because I think it's through whatever lens you're looking at this problem with. So, I'm willing to take my hit in whatever way, but I really want to have a conversation about what we do to present to balance the budget, and have long term services that are essential and how we pay for those." She thanked everyone for attending and letting us know what they think.

Chair Ortiz asked if there is further comment on Items #13 or #14, and there was not.

14. REQUEST FOR APPROVAL OF A RESOLUTION KEEPING SANTA FE WORKING, ENSURING ESSENTIAL CITY SERVICES, INVESTING IN A STRONG CITY, AND STABILIZING THE CITY'S BUDGET BY CONTROLLING COSTS AND ENACTING A PROPERTY TAX RATE INCREASE OF \$1.16 PER \$1000 OF NET TAXABLE VALUE (COUNCILORS DOMINGUEZ, ROMERO, TRUJILLO, CALVERT AND MAYOR COSS). (KATHRYN RAVELING)

A copy of proposed amendments to this bill, submitted by staff, is incorporated herewith to these minutes as Exhibit "1"

A copy of "Property Taxation Question," to members of the Finance Committee, from Concerned Citizens, submitted by John Gordonair, is incorporated herewith to these minutes as Exhibit "2."

There was a consensus among the Committee to take no action on Items #13 and #14 at this time.

15. **REQUEST FOR APPROVAL OF A RESOLUTION FOR A ONE TIME AUTHORIZATION OF UP TO \$20,000 OF CITY FUNDS TO ASSIST PROPERTY OWNERS OF AFFORDABLE HOUSING IN PAYING PROPERTY TAXES DURING FISCAL YEAR 2011-2012 (COUNCILOR CHAVEZ). (MELISA DAILEY) Committee Review: City Council (scheduled) 04/13/11. Fiscal Impact – Yes.**

Chair Ortiz asked Councilor Chavez if he would like to have a public hearing on this item at this time, or to delay that in view of the discussion on Items #13 and #14.

Councilor Chavez said he is open to delay it, commenting that if a property tax is imposed, there will be a negative impact on a certain segment of the population, and he wants this Resolution in place. He doesn't know the extent of the impact at this time.

Chair Ortiz said it seems that this Resolution is absolutely contingent on whether or not there is a property tax and to what degree.

Councilor Bushee said she spoke with Councilor Chavez earlier, and if the property tax is approved, she would like the \$20,000 to come from the Affordable Housing Trust Fund and not from the General Fund.

Chair Ortiz noted the FIR talks about the potential problems if this were to be funded from the Trust Fund.

Councilor Bushee said she didn't understand the \$3,000 personal services contract, commenting she doesn't understand why \$3,000 would be necessary to manage the proposed assistance, and hopes we will have further discussion.

MOTION: Councilor Bushee moved, seconded by Councilor Dominguez, to postpone this Item until "we discuss the budget stuff again."

DISCUSSION: Councilor Chavez said, as a concept, he doesn't know whether it is better to fund it out of the General Fund or out of the Trust Fund. However, he feels we need to look at the funding source, the dollar amount and have that in place.

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

ACTION ITEMS

19. REQUEST FOR APPROVAL OF CONSIDERATION TO FILL VACANT POSITIONS (ROBERT ROMERO) (Postponed at Finance Committee meeting of March 21, 2011.

Chair Ortiz noted there is additional information in the Committee packet.

MOTION: Councilor Bushee moved to deny this request, seconded by Chair Ortiz.

DISCUSSION: Chair Ortiz said he opposed this previously, and he will oppose it now. He said the request is to fill these positions, to hire a facilities director and an information specialist and to give blanket approval to hire any fire and police positions.

Councilor Dominguez said one of the positions is a CVB director, which will be responsible in some ways for raising revenue.

Councilor Bushee said she would accept a friendly amendment to exempt that position.

Chair Ortiz said he is still against this request. He said the CVB has been an under-performing asset which some of us said was going to under-perform. He said he won't go for the same process of selecting an Executive Director. He opposes filling all of these positions. He said the way we picked the last CVB Director was wrong and we're not going to have that again, and we're not going to have him come in at the same salary which is ridiculous.

Councilor Bushee said that is different from filling it.

FRIENDLY AMENDMENT: Councilor Bushee proposed to amend the motion to provide that the position can be advertised, but the Committee needs to discuss it before it is advertised in terms of the salary rate and the criteria for performance measurement. **THE AMENDMENT WAS FRIENDLY TO THE SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

DISCUSSION: Councilor Dominguez asked Mr. Romero why he thinks the Fire Department and Police Department positions need to be filled. He said he sees nothing that says the CVB Director will be hired the way the last City Manager hired him.

Mr. Romero said with all of the retirements which have happened, or are going to happen, by July 1, 2011, we will lose 3 of the 4 Captains at the Police Department, possibly all of them, and we are losing several high ranking positions at the Fire Department.

FRIENDLY AMENDMENT: Councilor Dominguez said these are people who provide services to our community, and Mr. Romero said yes. Councilor Bushee said this can be a friendly amendment if he would like. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

Councilor Dominguez said he is just asking questions right now. He asked about the information specialist at the Convention Center, noting he has some heartburn about that position.

Mr. Romero said when the Resolution was adopted to open the Visitors Center at the Railyard, there was a vacant Information Specialist position. He said it is proposed to fill that position with two part time position, and if it isn't filled, he will look to other City staff to fill that position. He said those two part time positions aren't critical to him. However, the facilities division director is critical because of the GB98.

VERBATIM TRANSCRIPT OF THIS PORTION OF ITEM #19
FINANCE COMMITTEE MEETING OF APRIL 4, 2011

C. BUSHEE: Mr. Chair could you restate the motion.

CHAIR ORTIZ: As I understand the restatement of the motion, Ms. Helberg, it is to deny the Information Specialist Positions, but to give as a friendly amendment, the ability to hire a CVB Director... and did you give approval to hire...

C. BUSHEE: ...with the same exception that the positions that you're wanting to fill come before the Committee. We don't want to see necessarily... we want to see what positions and what... I mean are you filling a Captain's position. Or are you bringing... on the street...

MR. ROMERO: I guess, in Police and Fire, I would say that most of those positions would be promotions from within, because there will be a time when we have to do another Cadet Class in Fire, another Cadet Class in Police, but none of those positions will be filled with people from outside of the City.

C. BUSHEE: I know, but Robert, we were going to have a hearing on Public Safety and how we were going to perhaps, in the P.D. in particular, going to reorg and you know, not necessarily have so many higher up positions, and so, that's the question. You know. How's that going. You know, I don't mind and I didn't before in the last meeting when we had this, filling Fire and Police, but...

MR. ROMERO: If the Committee wishes, we can bring back specific positions, if that's your wish.

C. BUSHEE: I think it was the second's also.

CHAIR ORTIZ: The reason was... I wasn't being flippant in saying I opposed these the first time. This, the second time, allows the very concern that you raise in the sheet that was asked for, which is ... you're right, they could be internal hires and you could have them hired as internals and you can give them a pay raise at whatever you think is appropriate. And once we give up that ability to approve those positions, we are stuck with them at whatever decision the City administration wants to do. And in

these times, particularly, maybe not so much in the Fire Department, but certainly in Police where we have basically all of the command structure gone. Right? Unlike what we did, we can have some salary savings when you do those kinds of internal promotions. Just because your predecessor made X amount of dollars doesn't mean that you necessarily have to get X amount of dollars. We're not living in that time anymore. We could achieve a 5 or 6% cut just by filling those positions at less than what they were at last year. And by giving them approval, my sense is we give up that right to have any kind of say in that financial decision. And so, that is why I'm against these approvals, but again....

C. BUSHEE: So, I would accept that as [friendly] those critical positions have that scrutiny up here, but that they be allowed to be considered to be filled, after the scrutiny up here.

CHAIR ORTIZ: Is that acceptable to you Robert.

MR. ROMERO: It appears that I would just bring the positions specifically back to the Committee and that's fine. That's fine with me. I would just bring specific positions in Fire and Police that we want to fill, back to this...

CHAIR ORTIZ: And the CVB Director. We're not going to be looking to hiring someone in as a CVB at anywhere close to the amount of money that the predecessor got, especially given the performance of the Convention Center to date. There's just no way that's going to happen.

MR. ROMERO: Again, on the CVB Director, I don't quite understand that. You want to set the highest... the salary or... I don't understand.

C. BUSHEE: I think some performance measures... I want to be discussed.

CHAIR ORTIZ: I think the salary absolutely has to be tied to the performance measures, and I guarantee that the salary cannot be as high as what we were paying the last guy for doing what he did. There's no way.

MR. ROMERO: How about the authority....

CHAIR ORTIZ: Okay. Councilor Wurzbarger, on the issue on the CVB Director.

COUNCILOR
WURZBURGER: On the CVB Director. I think given the time of the year, and the criticality of trying to find someone, it will take 2-3 months, and that means they won't hardly be on board by the time the critical point in the summer is reached... that we should be able to advertise the position without... the salary to be negotiable. And then by that time we can figure it out based on performance objectives, very clear

performance objectives, having to do with sales and income, and some of us have been working on that the past 3 weeks."

CHAIR ORTIZ: Robert, how much salary do you make. What's your salary.

MR. ROMERO: \$128,000.

CHAIR ORTIZ: Then what I would say is that what we negotiate with the CVB Director is 15% less than what Robert's making as the absolute cap. It doesn't make any sense to me that the CVB Director was getting what he was getting, and it is clear to me now that he wasn't doing what he was saying he was doing. We have empty space at the CVB."

C. WURZBURGER: I would suggest a friendly amendment, unless, have you already made that, is that an amendment.

CHAIR ORTIZ: No, no, it's not mine.

C. WURZBURGER: Because, I would say that it's less than the City Manager, and we take some time to try to figure out what the current market is, given the fact that no one has a job in America. So, let's not say arbitrarily and capriciously 15% or 20%.

C. BUSHEE: That's okay.

C. WURZBURGER: Thank you.

CHAIR ORTIZ: It's friendly to the second.

COUNCILOR
ROMERO: So, mine is a question of clarification, so Robert, we're looking at 2-3 months to fill this position, is that what I'm hearing. Is it your sense.

MR. ROMERO: Yes.

C. ROMERO: And you're going to be the interim in that time, and that means any place Keith was doing any kind of... you're the interim now, right.

MR. ROMERO: [Nodded yes.]

C. ROMERO: And anything that Keith was doing, that now you're the interim that you'll be doing, or you'll delegate somebody to do it.

- MR. ROMERO: That's correct. I would appreciate the opportunity maybe to hire an Interim Director, somebody who might do it in the short term until we hire someone. I think it is critical that we concentrate on sales. Right now, the outlook for 2012 is bleak as far as new conventions. I think it's really important to concentrate on sales right now.
- CHAIR ORTIZ: But you know, here's the deal Robert. I know this from hearing it from any number of CVB Directors, 2012 is bleak because they didn't do their job in late 2010 and 2011, and to say that we need an interim now, is to say that we're going to try and hope that 2013 is going to be better. And that's really saying that the former Director, or his sales staff, or both didn't do what they were saying he was supposed to do.
- C. ROMERO: Mr. Chair, I was just trying to clarify. I agree with the process that I think we've put in place for the Director, but if we're looking at the marketing piece that Robert also asked for, that's a jump-start right now, because I think you've got some ideas on the marketing person. Is that not true.
- MR. ROMERO: I think the critical thing right now at the CVB is sales. And it doesn't matter how we operate, if nobody is coming to use the center. So, I think that's critical to get somebody, at least in the interim and fill the sales positions quickly to concentrate on that..... You are right, and from what I'm understanding, there is opportunity to bring.... You know they say associations aren't doing it two or three years out, now it's now 9 months, 1 year out, so I think we still have some opportunity if we start now, to try and fill the Center next summer. I think it's critical... the sales piece is critical to me, and as an interim person, I think their strength should be the sales."
- C. BUSHEE: That's friendly. Putting the sales & marketing position in, and that's it, no more friendly.
- C. ROMERO: Okay, that's where I was getting...
- C. BUSHEE: That's it.
- C. WURZBURGER: No advertising for an Interim Director.
- C. BUSHEE: That's it, no more friendly. [speaking to unidentified person] Yeah... no we did, and that's coming back. I added the sales because he asked.
- CHAIR ORTIZ: Do members of the Committee need a restatement on the motion. Everyone understands. How about you Ms. Helberg. Do you understand the motion.
- C. BUSHEE: Yeah, she might...

MELESSIA
HELBERG: Yes. You had started to restate it and you didn't finish, so I want to be sure...

CHAIR ORTIZ: So, what've you got.

MS. HELBERG: Motion to deny this request, but to amend to hire the Information Specialist...

C. BUSHEE: No.

MS. HELBERG: Motion to deny the request to hire the Information Specialist, and to have the ability to hire the CVB Director with the understanding that it has to come back to this Committee to discuss the salary and criteria

C. BUSHEE: And added the CVB sales and marketing position with the same criteria.

CHAIR ORTIZ: So, it's a motion to deny the Information Specialist and to deny the Facilities Division Director and to approve that the City Manager fill the public safety positions and to fill the CVB Director and Sales and Marketing [positions], provided that he brings those positions back to us when he's got a proposed hire.

C. BUSHEE: And also to discuss in advance of that the performance measures and whatever.

CHAIR ORTIZ: That's a correct restatement of the motion.

MS. HELBERG: Yes. I understand that. I've got it.

CHAIR ORTIZ: Robert, do you need any clarification on that.

MR. ROMERO: Just so I understand it, you want to approve who we hire in these positions, or do you want to approve the proposed salaries for these positions, and the measurements and goals for

CHAIR ORTIZ:Measurements and goals for the CVB Director and the Sales.... and the salary for the public safety positions.

MR. ROMERO: Is it okay to fill those in the interim.

CHAIR ORTIZ: That's the approval. That's the approval [proposal?].

MR. ROMERO: I can fill them in the interim, but we don't fill them finally until we come back.

CHAIR ORTIZ: Right. Okay. So, there's a restated motion to deny in part and to affirm in part. Any further discussion. Okay, all those in favor.

C. DOMINGUEZ;
C. ROMERO; AND
C. WURZBURGER: Aye.

CHAIR: Anyone opposed. Okay the motion passes.

20. OTHER FINANCIAL INFORMATION:

**A. CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS
ON STATUS OF FISCAL YEAR 2010**

Chair Ortiz said we discussed this agenda item.

Councilor Bushee said we didn't discuss the pay adjustments. She presumes the GRTs are not improved.

Chair Ortiz said that we handed out at the last meeting, and we won't have another report until the next meeting.

Chair Ortiz noted there is a one page report on positions receiving pay adjustments, pursuant to a request by the Committee.

Councilor Bushee noted that one person is listed twice, and asked if they were promoted twice.

Mr. Romero said that person was promoted to the Project Specialist Position and then promoted to Budget Analyst.

Councilor Bushee said her concern is how a person would receive a 68.365% increase or a 72.610% increase.

Mr. Romero will look into this and provide information at the next meeting.

Councilor Bushee would like percentages on the pay adjustments for non-union employees, for the next meeting.

Chair Ortiz said if Committee members have particular questions about a particular position, they should speak to Mr. Romero about those, and we can limit our discussion to department-wide questions.

29. MATTERS FROM THE COMMITTEE

Councilor Bushee said she can attend the budget meetings only on Thursdays and Fridays.

Chair Ortiz asked Committee members to let him know dates when they can't attend so he can schedule the budget meetings for the Committee.

Responding to Councilor Chavez, Chair Ortiz said the budget meetings will be advertised as special study sessions and the Mayor and other Councilors will be invited to attend.

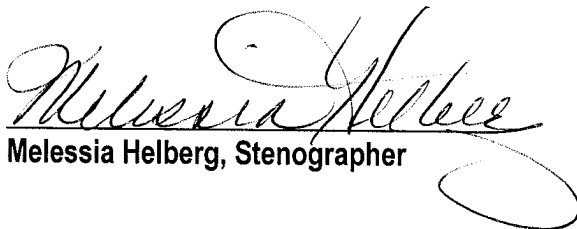
25. ADJOURNMENT

There was no further business to come before the Committee, and the meeting was adjourned at approximately 9:10 pm.

Matthew E. Ortiz, Chair

Reviewed by:

**Kathryn L. Raveling, Acting Director
Department of Finance**



Melessia Helberg, Stenographer