



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 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 4-15-11 TIME 2:00 pm

SERVED BY Uplanda Miller

RECEIVED BY Tina Dominguez

APRIL 4, 2011

## CONSENT AGENDA

6. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (NEPA) SERVICES FOR MUNICIPAL WATERSHED MANAGEMENT PROJECT (RFP #11/5/P) FOR WATER DIVISION; TIERRA RIGHT OF WAY (DALE LYONS)
7. REQUEST FOR APPROVAL OF WATER RIGHTS PURCHASE AGREEMENT – WATER RIGHTS PURCHASE WITHIN THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT; VANETTA R. PERRY (DALE LYONS)
8. REQUEST FOR APPROVAL OF AFFORDABLE HOUSING FUNDS GRANT – LOW INCOME HOUSING TAX CREDIT FOR PROPERTY LOCATED AT 5999 AIRPORT ROAD (A.K.A. COUNTRY CLUB APARTMENTS); SUPPORTIVE HOUSING COALITION OF NEW MEXICO (MELISA DAILEY)
9. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – SURGE TANK REPAINTING FOR WATER DIVISION; NORVELL CONSTRUCTION LLC (ROBERT JORGENSEN)
10. REQUEST FOR APPROVAL TO RENAME THE SOLID WASTE DIVISION TO THE ENVIRONMENTAL SERVICES DIVISION AS OF FY 2011/2012 (REGINA WHEELER)
11. REQUEST FOR APPROVAL TO PROCEED WITH IMPLEMENTATION AND PUBLIC OUTREACH OF A COMPREHENSIVE GREEN WASTE RECYCLING PROGRAM FOR SOLID WASTE DIVISION (REGINA WHEELER)
12. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – AUTOMATED METER READING DEVICES FOR UTILITY BILLING DIVISION; BAKER UTILITY SUPPLY (PETER ORTEGA)



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13. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT – DELIVERY OF TREATED EFFLUENT TO PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION; PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION (BRYAN ROMERO AND MARCOS MARTINEZ)
14. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO RECREATIONAL ACCESS AGREEMENT – UTILIZE RACETRACK INFIELD OF THE DOWNS AT SANTA FE FOR CITY'S PARKS AND RECREATION PROGRAM; PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION (BRYAN ROMERO AND MARCOS MARTINEZ)
15. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO LEASE AGREEMENT – OTHER IMPROVEMENTS AND DEFERRED MAINTENANCE SCHEDULE (EXHIBITS G-1 AND G-2 OF THE ORIGINAL LEASE) AT SANTA FE UNIVERSITY OF ART AND DESIGN LLC; SANTA FE HIGHER EDUCATION LLC (SEAN MOODY)
16. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO APPLY TO THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) ACCESS CONTROL COMMITTEE FOR AN ACCESS BREAK ALONG THE I-25 WEST FRONTAGE ROAD TO ALLOW FOR A FUTURE CITY ROAD AS SHOWN ON THE METROPOLITAN PLANNING ORGANIZATION 2010-2035 FUTURE REGIONAL ROADWAY NETWORK MAP (COUNCILOR DOMINGUEZ) (ISAAC PINO)

**Committee Review:**

Public Works Committee (Approved)  
Council (Scheduled)

04/04/11  
04/27/11

Fiscal Impact – No

17. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 27-2.16 SFCC 1987 REGARDING THE COMMUNICATION FRANCHISE ADVISORY COMMITTEE IN ORDER TO RENAME THE COMMITTEE AS THE TELECOMMUNICATIONS ADVISORY COMMITTEE AND TO REVISE ITS DUTIES (COUNCILOR BUSHEE) (JUAN TORRES)

**Committee Review:**

Public Works Committee (Approved)  
Council (Request to publish)  
Council (Public hearing)

04/04/11  
04/27/11  
05/25/11

Fiscal Impact – No



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 2011 – 5:00 PM

18. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION NO. 2010-56 IN ORDER TO RENAME THE COMMUNICATION FRANCHISE ADVISORY COMMITTEE AS THE TELECOMMUNICATIONS ADVISORY COMMITTEE AND TO REVISE ITS DUTIES (COUNCILOR BUSHEE) (JUAN TORRES)

**Committee Review:**

Public Works Committee (Approved)	04/04/11
Council (Request to publish)	04/27/11
Council (Public hearing)	05/25/11

Fiscal Impact – No

19. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING ORDINANCE NO. 2009-15 THAT AUTHORIZED THE SALE OF REAL PROPERTY LOCATED ADJACENT TO 312 CATRON STREET IN ORDER TO AMEND THE TERMS OF THE SALE SPECIFIC TO THE TIME AND MANNER OF PAYMENT (COUNCILOR ROMERO) (EDWARD VIGIL)

**Committee Review:**

Public Works Committee (Approved)	04/04/11
Council (Request to publish)	04/27/11
Council (Public hearing)	05/25/11

Fiscal Impact – Yes

20. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY OF SANTA FE TO SUPPORT A LIVING SANTA FE RIVER BY ALLOWING WATER TO BYPASS MCCLURE AND NICHOLS RESERVOIRS IN 2011 (MAYOR COSS AND COUNCILOR TRUJILLO) (BRIAN DRYPOLCHER)

**Committee Review:**

Public Utilities (Approved)	04/06/11
Public Works Committee (Approved)	04/04/11
Council (Scheduled)	04/27/11

Fiscal Impact – Yes

21. REQUEST FOR APPROVAL OF A RESOLUTION SUSPENDING THE ENFORCEMENT OF THOSE SECTIONS OF CHAPTER 14 SFCC 1987 SETTING FORTH THE EXPIRATION OF DEVELOPMENT APPROVALS DUE TO SEVERE ECONOMIC CONDITIONS (COUNCILOR WURZBURGER) (MATTHEW O'REILLY)



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 2011 – 5:00 PM

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**Committee Review:**

Public Works Committee (Approved)	04/04/11
Council (Scheduled)	04/27/11

Fiscal Impact – No

22. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 23-1.4 SFCC 1987 REGARDING OBSTRUCTION PERMIT FEES; AMENDING SECTION 23-2.10 SFCC 1987 REGARDING STREET CUT PERMIT FEES AND RESTORATION PENALTIES; AND AMENDING SECTION 23-3-10 SFCC 1987 REGARDING CURB CUT FEES (COUNCILOR DOMINGUEZ) (DAVID CATANACH AND JOHN ROMERO)

**Committee Review:**

Public Works (Approved – street cuts)	03/28/11
Public Works Committee (Approved)	04/04/11
Council (Request to publish)	04/27/11
Council (Public hearing)	05/25/11

Fiscal Impact – Yes

23. TELECOMMUNICATIONS – LAND USE REQUIREMENTS (COUNCILOR CALVERT) (KELLEY BRENNAN)
- A. REQUEST FOR APPROVAL OF AN ORDINANCE REPEALING SECTION 14-6.2(E) SFCC 1987 AND CREATING A NEW SECTION 14-6.2(E) SFCC 1987 REGARDING TELECOMMUNICATIONS FACILITIES OUTSIDE PUBLIC RIGHTS-OF-WAY AND MAKING SUCH OTHER NECESSARY CHANGES
- B. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING APPLICATION FEES FOR THE REVIEW OF TELECOMMUNICATIONS FACILITIES IN ACCORDANCE WITH CHAPTER 14 SFCC 1987

**Committee Review:**

Public Works Committee (Approved)	04/04/11
Planning Commission (Scheduled)	04/21/11
Council (Request to publish)	04/27/11
Council (Public hearing)	05/25/11

Fiscal Impact – Yes



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 2011 – 5:00 PM

24. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING RULE NO. 10 OF EXHIBIT A OF CHAPTER 25 SFCC 1987 REGARDING RESPONSIBILITY FOR WATER SERVICE EQUIPMENT (COUNCILORS BUSHEE AND CALVERT) (BRIAN SNYDER)

**Committee Review:**

Public Utilities Committee (Approved)	04/06/11
Water Conservation Committee (Approved)	04/12/11
Council (Request to publish)	04/27/11
Council (Public hearing)	05/25/11

Fiscal Impact – Yes

**END OF CONSENT AGENDA**

**DISCUSSION**

25. **(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 meetings of March 21, 2011 and April 4, 2011)

**Committee Review:**

Finance Committee (Postponed)	03/21/11
Finance Committee (Postponed)	04/04/11
City Council (Request to publish)	04/27/11
City Council (Public hearing)	05/25/11

Fiscal Impact - Yes

26. **(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 meetings of March 21, 2011 and April 4, 2011)



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 2011 – 5:00 PM

## **Committee Review**

Finance Committee (Postponed)	03/21/11
Finance Committee (Postponed)	04/04/11
City Council (Request to Publish)	04/27/11
City Council (Public Hearing)	05/25/11

Fiscal Impact – Yes

## 27. **(PUBLIC HEARING)**

### **PROPOSED BUDGET OPTIONS (PROPERTY TAX OR ENTERPRISE FUNDS TRANSFER)**

- A. 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) (Postponed at Finance Committee meeting of April 4, 2011)

## **Committee Review**

Finance Committee (Postponed)	04/04/11
City Council (Scheduled)	05/25/11

Fiscal Impact – Yes

- B. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-12.1 SFCC 1987 TO AUTHORIZE, ON AN ANNUAL BASIS, THE TRANSFER OF ENTERPRISE FUNDS TO THE GENERAL FUND, IN AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000) (COUNCILOR CALVERT, MAYOR COSS, COUNCILORS DOMINGUEZ, TRUJILLO AND ROMERO) (BRIAN SNYDER)

## **Committee Review**

Council (Request to Publish)	04/27/11
Council (Public Hearing)	05/25/11

Fiscal Impact – No



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 2011 – 5:00 PM

28. **(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) (Postponed at Finance Committee meeting of April 4, 2011)

**Committee Review**

Finance Committee (Postponed)

04/04/11

City Council (Scheduled)

04/13/11

Fiscal Impact - Yes

29. 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) (Postponed at Finance Committee meeting of April 4, 2011)

**Committee Review**

Finance Committee (Postponed)

04/04/11

Council (Scheduled)

04/13/11

Fiscal Impact - No

30. SANTA FE HOMES PROGRAM (COUNCILORS WURZBURGER, ORTIZ, TRUJILLO AND DOMINGUEZ) (MELISA DAILEY)

A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-8.11(F) SFCC 1987 TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (SFHP); AND AMENDING SECTION 26-1.15 SFCC 1987 TO TEMPORARILY REDUCE THE PERCENTAGE OF THE REQUIRED NUMBER OF FOR SALE SFHP HOMES IN A DEVELOPMENT

B. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE ADMINISTRATIVE PROCEDURES FOR THE SANTA FE HOMES PROGRAM (SFHP) TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 18, 2011 – 5:00 PM

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**Committee Review:**

Council (request to publish)	04/27/11
Planning Commission (scheduled)	05/05/11
Council (public hearing)	05/25/11

Fiscal Impact – Yes

31. REQUEST FOR APPROVAL OF OFFICE SPACE LEASE AGREEMENT – 500 MARKET STREET, SUITE 200 AT THE RAILYARD; RAILYARD COMPANY, LLC (ROBERT ROMERO AND GENO ZAMORA)
32. REQUEST FOR APPROVAL OF CONSIDERATION TO FILL VACANT POSITIONS (ROBERT ROMERO)
33. OTHER FINANCIAL INFORMATION:
  - A. UPDATE ON GROSS RECEIPTS TAX REPORT RECEIVED IN APRIL 2011 (FOR FEBRUARY 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN MARCH 2011 (FOR JANUARY 2011 ACTIVITY) (KATHRYN RAVELING)
  - B. CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS ON STATUS OF FISCAL YEAR 2010/2011 BUDGET (KATHRYN RAVELING AND ROBERT ROMERO)
34. MATTERS FROM THE COMMITTEE
35. ADJOURN

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



SUMMARY OF ACTION  
FINANCE COMMITTEE MEETING  
Monday, April 18, 2011

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER & ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES APRIL 4, 2011 – REGULAR FINANCE COMMITTEE MEETING	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL TO RENAME THE SOLID WASTE DIVISION TO THE ENVIRONMENTAL SERVICES DIVISION AS OF FY 2011/2012	Approved	4
REQUEST FOR APPROVAL TO PROCEED WITH IMPLEMENTATION AND PUBLIC OUTREACH OF A COMPREHENSIVE GREEN WASTE RECYCLING PROGRAM FOR SOLID WASTE DIVISION	Approved	4-5
REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT – DELIVERY OF TREATED EFFLUENT TO PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION; PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION	Moved forward w/o recommendation	6
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO RECREATIONAL ACCESS AGREEMENT – UTILIZE RACETRACK INFIELD OF THE DOWNS AT SANTA FE FOR CITY'S PARKS AND RECREATION PROGRAM; PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION	Moved forward w/o recommendation	7
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 27-2.16 SFCC 1987, REGARDING THE COMMUNICATION FRANCHISE ADVISORY COMMITTEE IN ORDER TO RENAME THE COMMITTEE AS THE TELECOMMUNICATIONS ADVISORY COMMITTEE AND TO REVISE ITS DUTIES	Approved	7

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING ORDINANCE NO. 2009-15 THAT AUTHORIZED THE SALE OF REAL PROPERTY LOCATED ADJACENT TO 312 CATRON STREET IN ORDER TO AMEND THE TERMS OF THE SALE SPECIFIC TO THE TIME AND MANNER OF PAYMENT	Not Approved	7-9
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY OF SANTA FE TO SUPPORT A LIVING SANTA FE RIVER BY ALLOWING WATER TO BYPASS McCLURE AND NICHOLS RESERVOIRS IN 2011	Approved	9-11
<u>TELECOMMUNICATIONS – LAND USE REQUIREMENTS</u>		
REQUEST FOR APPROVAL OF AN ORDINANCE REPEALING SECTION 14-6.2(E) SFCC 1987 AND CREATING A NEW SECTION 14-6.2(E) SFCC 1987 REGARDING TELECOMMUNICATIONS FACILITIES OUTSIDE PUBLIC RIGHTS OF WAY AND MAKING SUCH OTHER NECESSARY CHANGES	Approved	11-14
REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING APPLICATION FEES FOR THE REVIEW OF TELECOMMUNICATIONS FACILITIES IN ACCORDANCE WITH CHAPTER 14 SFCC 1987	Approved	11-14
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
<u>PUBLIC HEARINGS</u>		
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	No action	14-38

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

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

14-38

PROPOSED BUDGET OPTIONS (PROPERTY TAX OR ENTERPRISE FUNDS TRANSFER:

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

14-38

REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-12.1 SFCC 1987, TO AUTHORIZE, ON AN ANNUAL BASIS, THE TRANSFER OF ENTERPRISE FUNDS TO THE GENERAL FUND, IN AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000)

No action

14-38

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

No action

14-38

**ACTION ITEMS**

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 05/02/10  
w/direction to staff

39-46

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
<b>SANTA FE HOMES PROGRAM:</b>		
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-8.11(F) SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (SFHP); AND AMENDING SECTION 26-1.15 SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE OF THE REQUIRED NUMBER OF FOR SALE SFHP HOMES IN A DEVELOPMENT	Approved	46-47
REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE ADMINISTRATIVE PROCEDURES FOR THE SANTA FE HOMES PROGRAM (SFHP) TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM	Approved	46-47
REQUEST FOR APPROVAL OF OFFICE SPACE LEASE AGREEMENT – 500 MARKET STREET, SUITE 200 AT THE RAILYARD; RAILYARD COMPANY, LLC	Approved	47-48
REQUEST FOR APPROVAL OF CONSIDERATION TO FILL VACANT POSITIONS	Approved	38-39
<b>OTHER FINANCIAL INFORMATION:</b>		
UPDATE ON GROSS RECEIPTS TAX REPORT RECEIVED IN APRIL 2011 (FOR FEBRUARY 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN MARCH 2011 (FOR JANUARY 2011 ACTIVITY)	Information	49
CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS ON STATUS OF FISCAL YEAR 2010/2011 BUDGET	Information	49-50
<b>MATTERS FROM THE COMMITTEE</b>	Information/discussion	50
<b>ADJOURNMENT</b>		50

**MINUTES OF THE  
CITY OF SANTA FE  
FINANCE COMMITTEE**  
Monday, April 18, 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 18, 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 Wurzbarger

**OTHER GOVERNING BODY MEMBERS ATTENDING:**

Mayor David Coss  
Councilor Christopher Calvert  
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**

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

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

#### **4. APPROVAL OF CONSENT AGENDA**

**MOTION:** Councilor Bushee moved, seconded by Councilor Romero, to approve the following Consent Agenda, as amended.

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

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#### **CONSENT AGENDA**

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6. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (NEPA) SERVICES FOR MUNICIPAL WATERSHED MANAGEMENT PROJECT (RFP #11/5/P) FOR WATER DIVISION; TIERRA RIGHT OF WAY. (DALE LYONS)**
7. **REQUEST FOR APPROVAL OF WATER RIGHTS PURCHASE AGREEMENT – WATER RIGHTS PURCHASE WITHIN THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT; VANETTA R. PERRY. (DALE LYONS)**
8. **REQUEST FOR APPROVAL OF AFFORDABLE HOUSING FUNDS GRANT – LOW INCOME HOUSING TAX CREDIT FOR PROPERTY LOCATED AT 5999 AIRPORT ROAD (A/K/A COUNTRY CLUB APARTMENTS); SUPPORTIVE HOUSING COALITION OF NEW MEXICO. (MELISA DAILEY)**
9. **REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – SURGE TANK REPAINTING FOR WATER DIVISION; NORVELL CONSTRUCTION, LLC. (ROBERT JORGENSEN)**
10. *[Removed for discussion by Councilor Romero]*
11. *[Removed for discussion by Councilor Romero]*
12. **REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – AUTOMATED METER READING DEVICES FOR UTILITY BILLING DIVISION; BAKER UTILITY SUPPLY. (PETER ORTEGA)**
13. *[Removed for discussion by Councilor Bushee]*
14. *[Removed for discussion by Councilor Bushee]*

15. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO LEASE AGREEMENT – OTHER IMPROVEMENTS AND DEFERRED MAINTENANCE SCHEDULE (EXHIBITS G-1 AND G-2 OF THE ORIGINAL LEASE) AT SANTA FE UNIVERSITY OF ART AND DESIGN, LLC; SANTA FE HIGHER EDUCATION, LLC. (SEAN MOODY)
16. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO APPLY TO THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) ACCESS CONTROL COMMITTEE FOR AN ACCESS BREAK ALONG THE I-25 WEST FRONTAGE ROAD TO ALLOW FOR A FUTURE CITY ROAD SHOWN ON THE METROPOLITAN PLANNING ORGANIZATION 2010-2035 FUTURE REGIONAL ROADWAY NETWORK MAP (COUNCILOR DOMINGUEZ). (ISAAC PINO) Committee Review: Public Works Committee (approved) 04/04/11; and Council (Scheduled) 04/27/11. Fiscal Impact – No.
17. *[Removed for discussion by Councilor Romero]*
18. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION NO. 2010-56, IN ORDER TO RENAME THE COMMUNICATION FRANCHISE ADVISORY COMMITTEE AS THE TELECOMMUNICATIONS ADVISORY COMMITTEE AND TO REVISE ITS DUTIES (COUNCILOR BUSHEE). (JUAN TORRES). Committee Review. Public Works Committee (Approved) 04/04/11; Council (Request to publish) 04/27/11; and Council (Public hearing) 05/25/11. Fiscal Impact – No.
19. *[Removed for discussion by Councilor Bushee]*
20. *[Removed for discussion by Councilor Romero]*
21. REQUEST FOR APPROVAL OF A RESOLUTION SUSPENDING THE ENFORCEMENT OF THOSE SECTIONS OF CHAPTER 14 SFCC 1987, SETTING FORTH THE EXPIRATION OF DEVELOPMENT APPROVALS DUE TO SEVERE ECONOMIC CONDITIONS (COUNCILOR WURZBURGER). (MATTHEW O'REILLY) Committee Review. Public Works Committee (Approved) 04/04/11; and Council (Scheduled) 04/27/11. Fiscal Impact – No.
22. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 23-1.4 SFCC 1987, REGARDING OBSTRUCTION PERMIT FEES; AMENDING SECTION 23-2.10 SFCC 1987, REGARDING STREET CUT PERMIT FEES AND RESTORATION PENALTIES; AND AMENDING SECTION 23-2.10 SFCC 1987, REGARDING CURB CUT FEES (COUNCILOR DOMINGUEZ). (DAVID CATANACH AND JOHN ROMERO) Committee Review. Public Works Committee (Approved – street cuts) 03/28/11; Public Works Committee (Approved) 04/04/11; Council (Request to publish) 04/27/11; and Council (Public hearing) 05/25/11. Fiscal Impact – Yes
23. *[Removed for discussion by Councilor Bushee]*

24. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING RULE NO. 10 OF EXHIBIT A OF CHAPTER 25 SFCC 1987, REGARDING RESPONSIBILITY FOR WATER SERVICE EQUIPMENT (COUNCILORS BUSHEE AND CALVERT). (BRIAN SNYDER) Committee Review. Public Utilities Committee (approved) 04/06/11; Water Conservation Committee (Approved) 04/12/11; Council (Request to publish) 04/27/11; and Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**

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**END OF CONSENT AGENDA**

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**5. APPROVAL OF MINUTES APRIL 4, 2011 – REGULAR FINANCE COMMITTEE MEETING**

**MOTION:** Councilor Dominguez moved, seconded by Councilor Romero, to approve the minutes of the Regular Finance Committee Meeting of April 4, 2011, as presented.

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

**CONSENT CALENDAR DISCUSSION**

**10. REQUEST FOR APPROVAL TO RENAME THE SOLID WASTE DIVISION TO THE ENVIRONMENTAL SERVICES DIVISION AS OF FY 2011/2012 (REGINA WHEELER)**

Councilor Romero said she meant to remove only Item #10, and has no issue with this request.

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

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

**11. REQUEST FOR APPROVAL TO PROCEED WITH IMPLEMENTATION AND PUBLIC OUTREACH OF A COMPREHENSIVE GREEN WASTE RECYCLING PROGRAM FOR SOLID WASTE DIVISION. (REGINA WHEELER)**

Councilor Romero said it seems this service would be used by a select few and asked about doing a survey first to see who would use it. She suggested going out to RFP to see what it would cost to contract this service, rather than doing it in-house and hiring more people.

Ms. Wheeler said it will be necessary to sign-up a minimum of 600 households to begin this service, so the next step would be to do public outreach to see how many people would commit to a one year service at \$4 per month, to pick up a 90-gallon can every two weeks. She said if 600 households sign



up, then the service can be offered. She said that survey has not been done at this point.

Councilor Romero said then you will send out the survey first to see if there are 600 households that would sign up before proceeding, and Ms. Wheeler said yes.

Councilor Romero said she looks forward to the results of the survey.

Responding to Councilor Romero, Ms. Wheeler said there is a large pickup where people can put large limbs out for collection and that is \$25.75, and neighbors can combine to create a pile, noting they do have to bind the limbs.

Councilor Romero said \$4 is significant for many people today.

Councilor Bushee said she still has concerns that this is turning into a "whole big deal." She asked Ms. Wheeler if she surveyed other communities in New Mexico and in the Southwest to see if they offer the free waste pickup she spoke about originally.

Ms. Wheeler said yes. She said Santa Fe has had this service in the past and it was problematic with big piles of green waste by the roadside, and there was the possibility of snow at the same time. She said it cost a lot in overtime, and this is the reason the Council changed the program into the large item pickup which is now scheduled in advance, reiterating it is \$25.75. She said the \$4 can be paid on the utility bill and they can put piles of brush out on a schedule.

Councilor Bushee said it wasn't a problem for the customer, although it might have been a problem for "your group." She said when she asked Ms. Wheeler about Albuquerque where they used paper bags, and picked up twice a year and it was free, Ms. Wheeler said this could cause a problem because other waste could get mixed in. She asked if they are continuing to do that in Albuquerque. She said she is really trying to offer more services to the customer, and to reduce the waste stream to the landfill.

Ms. Wheeler said Albuquerque does do that, but there is a concern about contamination.

Councilor Bushee would like to talk to the Albuquerque people herself, saying she doesn't feel like "I'm even getting a chance at this."

Ms. Wheeler said she will do additional research on this and bring the information back to the Committee.

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

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

**13. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT – DELIVERY OF TREATED EFFLUENT TO PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION; PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION. (BRYAN ROMERO AND MARCOS MARTINEZ)**

*Items #13 and #14 were combined for purposes of presentation and discussion but were voted upon separately.*

Councilor Bushee said, under Staff Follow-Up, both items say, "Marcos Martinez will consult with the Pueblo on whether or not they will accept one-year agreements." She said she doesn't see anything in the packet saying this will be the case. She said Item #14 also required follow-up with Fabian Chavez on the long-range plans for the use of this facility and the effluent. She said she expected to get these answers in the packet.

Brian Snyder said he understands Mr. Martinez contacted Pojoaque, and is in negotiations for a one-year contract, but he is unaware of any agreement at this time.

Councilor Bushee said she wants this information by the time it goes to Council, and Mr. Snyder said he will inform Mr. Martinez, and the information will be available by the Council meeting.

Chair Ortiz asked what will the price be, and if it will be less.

Mr. Snyder said he doesn't have that information, but will ensure that information is in the packet by Council as well.

Chair Ortiz said then all we can approve at this point is an extension of time to 2010 to 2014, and asked if this has to go back through the Committee process if there is a change in any of the terms.

Councilor Calvert said the thinking at the Public Utility Committee was that we had to make arrangements for the water use in La Cienega, and we didn't want to bind ourselves to 4 years and foreclose our options, and to get this on an annual basis for renewal.

**MOTION:** Councilor Wurzbarger moved, seconded by Councilor Romero, to move this forward without recommendation to the City Council, with direction to staff to provide the requested information by the time this goes to the City Council.

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

14. **REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO RECREATIONAL ACCESS AGREEMENT – UTILIZE RACETRACK INFIELD OF THE DOWNS AT SANTA FE FOR CITY'S PARKS AND RECREATION PROGRAM; PUEBLO OF POJOAQUE DEVELOPMENT CORPORATION. (BRYAN ROMERO AND MARCOS MARTINEZ)**

**MOTION:** Councilor Wurzbarger moved, seconded by Councilor Romero, to move this forward without recommendation to the City Council with direction to staff to provide the requested information by the time this goes to the City Council.

**FRIENDLY AMENDMENT:** Councilor Bushee said there have been questions with regard to the long term plans for the land the City uses for soccer, and the effluent, and she would like that information. She said you may not want to take the time to do this here, but she does want that information before it goes to Council. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS FROM COMMITTEE MEMBERS.**

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

17. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 27-2.16 SFCC 1987, REGARDING THE COMMUNICATION FRANCHISE ADVISORY COMMITTEE IN ORDER TO RENAME THE COMMITTEE AS THE TELECOMMUNICATIONS ADVISORY COMMITTEE AND TO REVISE ITS DUTIES (COUNCILOR BUSHEE). (JUAN TORRES) Committee Review Public Works Committee (Approved) 04/04/11; Council (Request to publish) 04/27/11; and Council (Public hearing) 05/25/11. Fiscal Impact – No.**

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

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

19. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING ORDINANCE NO. 2009-15 THAT AUTHORIZED THE SALE OF REAL PROPERTY LOCATED ADJACENT TO 312 CATRON STREET IN ORDER TO AMEND THE TERMS OF THE SALE SPECIFIC TO THE TIME AND MANNER OF PAYMENT (COUNCILOR ROMERO). (EDWARD VIGIL) Committee Review. Public Works Committee (Approved) 04/04/11; Council (Request to publish) 04/27/11; and Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**

Councilor Bushee said this is the first time the City has become a bank to an individual property owner. She has questions for the City Attorney's Office. She said the Ordinance provides this will be done with Real Estate Contract [REC], but there is no REC in the packet. She asked if we need to approve a REC along with this Ordinance. She has never seen this kind of arrangement before. She asks what happen if the buyer defaults. She said, "I just want the details."

Kelley Brennan, Assistant Attorney, said under a Real Estate Contract, if the owner defaults the property reverts to the seller and there is no refund of monies paid.

Councilor Bushee asked, "This is allowed for apparently legally," and Ms. Brennan said, "I believe it is."

Councilor Bushee asked, "When and if we will see a Real Estate Contract."

Edward Vigil said the REC will be brought forward to the Committees and the Council once this Ordinance is adopted. He said we are amending the existing ordinance to allow for such, before we can move forward with a Real Estate Contract. He said Dr. Oti was unable to obtain financing on his own, so this is another method by which to allow him to purchase the property.

Councilor Bushee said she is not in favor of this option.

Chair Ortiz asked reason we are doing this sale this way.

Councilor Romero said this is an unusual situation, and it is not the norm for the City to be the banker, in a sense. She said the situation Mr. Vigil described was Mr. Oti's inability to obtain financing. She said we are working with a window of opportunity and some parameters to make this workable in the short term. She asked Mr. Vigil to explain further.

Mr. Vigil said the REC will be a five-year term, with 10% down and 8% interest, to allow Dr. Oti a means to gain equity in the property, and in return he is considering refinancing his existing property along with this property, and hopefully he will be able to pay off the entire amount prior to the expiration of the REC. If the City allows this request, the City will gain the appraised value of the property, plus an additional \$8,000 plus in interest over the 5-year term.

**MOTION:** Councilor Romero moved, seconded by Councilor Wurzbarger for purposes of discussion as a courtesy, to approve this request.

**DISCUSSION:** Councilor Wurzbarger said, then the City would act as a bank on this particular deal, so Dr. Oti can to build-up his equity, and commented that in doing this sale in this manner, the City could be opening itself to future requests to act as a bank.

Councilor Romero said it is a discrete amount, and asked Mr. Vigil "to give a little more on the why again."

Mr. Vigil said Dr. Oti came to the City to get approval for the sale of the real estate, at about the same time property values began to fall, and he had no equity in the property. The lender was unwilling to lend on the appraisal, because technically, commercial properties were falling about 25%, the bank was tightening its lending policy, and refused to lend him the money, noting there was no time for negotiation.

Councilor Romero asked, "If this doesn't happen do we get the land, the neighbors have already agreed on it, he's agreed to purchase it. If he doesn't have the ability to purchase that small piece of property, what happens."

Mr. Vigil said, "We could either enter into a lease agreement, if he was willing, or he could vacate the property and [inaudible] its use. Currently he's landscaping, and doing some rock work, as well as he uses it for parking for his clients."

**FRIENDLY AMENDMENT:** Councilor Wurzbarger said, because of the City's current financial issues, she would be more comfortable with a lease with an option to buy, and suggested staff pursue the option to negotiate a lease with an option to buy. **THE AMENDMENT WAS NOT FRIENDLY TO THE MAKER.**

Councilor Romero said Dr. Oti was in a lease situation, and we gave him the option to purchase.

Councilor Wurzbarger said the reason we gave him the option to purchase, is because he came to us, and Mr. Vigil said this is correct.

**VOTE:** The motion failed to pass on a voice vote, with Councilor Romero voting in favor of the motion, and Councilors Bushee, Dominguez and Wurzbarger voting against the motion.

**20. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY OF SANTA FE TO SUPPORT A LIVING SANTA FE RIVER BY ALLOWING WATER TO BYPASS McCLURE AND NICHOLS RESERVOIRS IN 2011 (MAYOR COSS AND COUNCILOR TRUJILLO). (BRIAN DRYPOLCHER) Committee Review. Public Utilities (Approved) 04/06/11; Public Works Committee (Approved) 04/04/11; Council (Scheduled) 04/27/11. Fiscal Impact – Yes**

Councilor Romero said she pulled this item to ask that she be added as a Cosponsor of the Resolution.

Councilor Bushee asked if there will be water in the river this year, given the status of the reservoirs.

Mr. Drypolcher said we are likely to see some water in the river, even though the snow pack is as low as it is.

Councilor Bushee asked if this is because of the Resolution, commenting that "it's not like we have spill-off."

Mr. Drypolcher said if the Resolution is approved we are far more likely to see water in the river than if it does not.

Chair Ortiz asked if we would be discharging water into the river if we were just operating McClure and Nichols for the purpose of mitigating drought in the summer.

Mr. Drypolcher said, "I do believe, historically, except for the past three years, in conditions such as these, the City has not let water bypass the reservoirs. I think this has historically been the case except for the past three years when we had resolutions in place for bypass water."

Chair Ortiz said, "If we allow water to bypass the reservoirs and go into the river, what we are doing essentially, is taxing our well fields."

Mr. Drypolcher said, "For whatever water might be needed by the municipal water system, that amount of water that bypassed the reservoirs, if we needed to get that water from other places for municipal purposes, it would be the Buckman Direct Diversion or from our well fields."

Chair Ortiz asked, "Is the Rio Grande River flowing any higher than what has been projected for the Santa Fe River?"

Mr. Drypolcher said, "Well, the projections for the Rio Grande basin are bit higher. I don't know the exact number, but from watching it over the last couple of months, I know it's higher. Also, there's the matter of our San Juan/Chama diversion water which is delivered through that San Juan/Chama diversion system which is separated a little bit more from whatever the snow pack forecast might be, because that's water that has been stored and is available for the City's municipal purposes."

Councilor Wurzbarger said, "I am quite confused, having had previous discussions, and I felt very assured that we were moving toward a drought conditions, which we are doing this summer, that somehow in the language I thought we had approved previously, that your answer would have been, 'No, we won't be doing this.' A definitive no if it's going to be needed in our existing water system, rather than saying, 'Oh the Buckman can do it.' I'm really surprised by that answer, and uncomfortable with the Resolution which I did vote for previously, so I'll be voting no on this unless you can clarify your previous statement with respect to what's likely to happen this summer."

Mr. Drypolcher said, "The Resolution does propose that the bypass of flows would be done in a manner that's consistent with the summary report of recommendations that came out of our public engagement process, came out of a series of public meetings, came out of our core working group and citizen volunteers, and also with staff involved in that process. And, in the summary report of recommendations which you should have in your packet, there is a provision for what we call a critical dry year, in the dry year flow hydrograph which does call for a couple of releases of bypass flows, one in May and one in June. That's also contingent upon... remember we have a bypass concept provision that says that water that might be bypassed out of the reservoir at any given time cannot exceed the amount of water coming into the reservoir, so that we keep a balance going there. So, yes, this does say, even in a very dry year, which we're defining as below 30% snow pack that there would be something that would be bypassed in the river, as long as we have the inflow to support that."

Councilor Bushee asked, "At what flow would we see those bypasses in those months. Would it be at 1,000."

Mr. Drypolcher said, "No. What happens is in a normal or wet year, actually down to 75% of the historic record, now the 75%, the City's commitment would be for 1,000 afy. If it was below 75% of the normal snow pack, we start to scale it back. So, for example, if we're at 60%, it would be 600 afy, if we're at 50%, it would be 500 afy, etc. When we get down to 30% or below, we hit a floor, and that floor would be 300 afy. So we have a ceiling at 1,000 and a floor at 300."

Councilor Bushee said, "Just for the folks who don't deal in acre feet, what is the projection... by what part of May do you expect to do your first release and what is the projection for the percentage to be and what flow do you expect. And so, in other words, for the sake of the trees in the upper water shed, I see the purpose, but the general concern up here is more on the political level, where we get the calls of what the hell are you folks doing in a severe drought releasing water down the river."

Mr. Drypolcher said, "One of the reasons we're trying to sustain that commitment at a minimum level is..."

Councilor Bushee said, "That wasn't my question. My question was, at what percentage do you project the first release to be. Will you be releasing... what flow will be released if we're projecting a severe drought, and by May, what will that flow look like and how far would it go and that kind of thing."

Mr. Drypolcher said, "Okay. This is an equation with a lot of variables in it, but the intent, at this current snow pack projection, which is 25% of normal, is that the first release pulse... pulsed released would be for 100 afy. That equates to about 7 cubic feet per second, that's the rate of flow, for a week, and that..."

Councilor Bushee asked, "How far will that get."

Mr. Drypolcher said, "Depending on how hot and dry things are, it could get to probably Guadalupe Street and beyond. It could get to St. Francis Drive and a little bit beyond. It could go farther if it's wet and damp, cool and humid."

Councilor Bushee said, "Let me clarify for the folks. This is what we put in an ordinance that has yet to be passed. I just asked the question, because we are facing the potential for a drought, so I wanted to have us know what we are doing, rather than just put it on consent."

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

**23. TELECOMMUNICATIONS – LAND USE REQUIREMENTS (COUNCILOR CALVERT). (KELLEY BRENNAN)**

- A. REQUEST FOR APPROVAL OF AN ORDINANCE REPEALING SECTION 14-6.2(E) SFCC 1987 AND CREATING A NEW SECTION 14-6.2(E) SFCC 1987 REGARDING TELECOMMUNICATIONS FACILITIES OUTSIDE PUBLIC RIGHTS OF WAY AND MAKING SUCH OTHER NECESSARY CHANGES.**

**B. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING APPLICATION FEES FOR THE REVIEW OF TELECOMMUNICATIONS FACILITIES IN ACCORDANCE WITH CHAPTER 14 SFCC 1987.**

**Committee Review. Public Works Committee (Approved) 04/04/11; Planning Commission (Scheduled) 04/21/11; Council (Request to publish) 04/27/11; and Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**

Chair Ortiz noted that the Committee has staff's response to Arthur Firstenberg's email on the desk, which sets out his comparisons to the Telecommunications Ordinance.

Councilor Bushee said she finds it interesting in the FIR that staff needed to reiterate the statement that we can't deal with the health issues. She asked the reason we would get rid of the Board of Adjustment as far as a layer of review and "would direct that to Councilor Calvert, if you don't mind."

Councilor Calvert said he would direct that back to Legal

Councilor Bushee asked, "Councilor Calvert is that your idea or their idea."

Ms. Brennan said, "As you will recall, when you passed the franchise ordinance last year, we discussed the fact that the Planning Commission would be hearing submittals from people that are proposing multiple facilities in the rights-of-way [ROW], and that since those would certainly also be submitting for private property outside the ROW, it made sense to have the same body hear them. The Board of Adjustment in granting.... there's certain criteria attached to special exceptions which are very general, and this requires Planning Commission review and approval and has a number of standards attached to it. It requires an ENN. So, it's very similar, but it addresses people that may have facilities in the rights-of-way and outside the rights-of-way, permits them to be heard as a single application by a single body, and that body should develop some expertise."

Councilor Bushee asked if this is getting rid of the Board of Adjustment just for general land uses too, and if that the aim of the Legal Department.

Ms. Brennan said this isn't her aim.

Councilor Bushee said, "With regard to this ordinance itself, I really would like to see, and maybe I'll work with you before it goes to Council, but I'm just getting my Board together... that Commission together, but I really would like to see a baseline map and somehow see that be industry funded, in terms of where this coverage is now, and have that built into the ordinance some way. I asked for that the first go-around when we did Chapter 27."

Ms. Brennan said, "Councilor Bushee, I think that if the document didn't exist, it would be very hard to incorporate it in the ordinance, but it could certainly be, once it was adopted by the Council, it could certainly be integrated into the Ordinance."

Councilor Bushee asked what the fees are based on, "what are they derived from."



Ms. Brennan said those relate to current fees in Land Use. The Administrative Approval Fee relates to a basic application fee and current Land Use schedule. The Cost of Development Fee relates to Development Plan Approval Fee. Historic Design Review Board is the same fee. She said these all are connected to current fees.

Councilor Bushee said, "I don't see anywhere, and I guess I'm just now reading Arthur's thing and I'm barely reading it, limitation on size of equipment, I'm still looking for an ability to try and get the newest and latest technology, and they're generally the smaller antennas. And is there some way to require that as an option."

Ms. Brennan said, "The new Ordinance actually requires applicants to identify first that they have a lack of coverage, then to identify the least intrusive method of meeting that lack of coverage, and then the least intrusive design, and they have to certify to these things. And we favor collocation, we favor the same kinds of priorities that were established in the Franchise Ordinance. So that is the idea, that to the extent... we don't expressly address technologies, but to the extent that new technologies are less intrusive, they would be desirable and are classified that way under this Ordinance."

Councilor Bushee asked if they are required... "can we tell them to do that."

Ms. Brennan said, "I don't know if we can tell them to use technologies other than the ones that they use. However, we can certainly work hard through the approval process to do that, and we favor those things. In fact, this Ordinance does not address technology because that is changing very rapidly. I think that there is an incentive on the part of providers, given the kinds of issues they face in communities, to develop and start to use less intrusive technologies."

Councilor Bushee said on the matrix there is an enforcement piece about which she is unsure, "Land Use Director enforces standard procedures of Chapter 14." In Current Code comments it says it is not necessary to specify these procedures as they are otherwise authorized under standard procedures of Chapter 14."

Ms. Brennan said, "The current ordinance is loaded up with a lot of stuff that is actually addressed in other sections of the Code," and Councilor Bushee asked for specific examples.

Ms. Brennan said, "The Code, if there's a violation of ordinance, somebody can be cited, red-tagged and then an enforcement process begins. That's typical of the process. That's the process that's referred to in this ordinance, and it's unnecessary to have the specific language in this ordinance. We've really tried to simplify it, so we're focusing on what it's about."

Councilor Bushee said, "Okay, but we're not leaving out anything."

Ms. Brennan said, "No."

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

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

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**END OF CONSENT CALENDAR DISCUSSION**

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**DISCUSSION**

**PUBLIC HEARINGS**

25. **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 and April 4, 2011). Committee Review: Finance Committee (postponed) 03/21/11; Finance Committee (Postponed) 04/04/11; City Council (request to publish) 04/27/11; and City Council (public hearing) 05/25/11. Fiscal Impact – Yes.**

***Items #25, #26 and #27(A) and (B) and #28 were combined for purposes of presentation, public hearing and discussion.***

A copy of a proposed amendment to the Resolution regarding "Property Tax/Keep Santa Fe Working," submitted by Mayor Coss and Councilor Calvert, is incorporated herewith to these minutes as Exhibit "1."

A copy of a proposed amendment to the Resolution regarding "Enterprise Fund Transfer," submitted by Councilor Chavez, is incorporated herewith to these minutes as Exhibit "2."

A copy of "Areas for Cost Saving/Revenue Generation Opportunities," submitted for the record by Joseph Lovato, Treasurer, AFSCME, is incorporated herewith to these minutes as Exhibit "3."

Chair Ortiz asked City Manager Robert Romero to give a presentation on the newest proposal. He said he then will give the bargaining unit representatives additional time to speak before beginning the public hearing.

Mr. Romero said there is a spreadsheet under Item 33(B) which shows the different options presented by the Resolutions, along with other information requested at the previous Finance Committee meeting, including an updated "11-2012 Budget Gap."

### **Questions and Comments by the Committee, Mayor and other Councilors**

- Councilor Bushee asked, regarding the \$600,000 in incentive reductions, if this needs to be bargained, and Mr. Romero said yes.
- Councilor Bushee asked how he was able to put it in the recommended column.  
  
Mr. Romero said it was the direction by the Council to negotiate.
- Councilor Bushee said this is correct, but it still needs to be negotiated.  
  
Mr. Romero said this is correct, but “I think it would not be appropriate to talk any more about that.”
- Councilor Bushee asked if the Committee will get into the increases when we get to Item 33(B).
- Chair Ortiz said we will discuss the hourly increases.
- Councilor Bushee said, “I’m talking about the second page after this one, and it just had percentages when it came before us before, on the people who were getting raises.”

Mr. Romero said the one in question was a Fire Deputy Chief, and the reason the number didn’t look right was because before that person was on 24 hour shifts instead of 40 hour shifts, and the calculation was adjusted back to a regular 40 hour work week, and came out as a 76% raise which really wasn’t accurate, because you calculate differently for fire personnel who work 48 hours on.

**CLARIFICATION OF PROPOSED AMENDMENT [EXHIBIT “1”]:** Mayor Coss noted there are proposed amendments for Item 27(A), which would delete reference to a property tax, and insert the reference to the transfer from the Wastewater Fund. He said, “I should also point out the language on #4 and #5 should be “up to \$4 million,” instead of “not to exceed.”

- Councilor Bushee asked if a lot of the language which was in the other property tax Resolution still stands, with regard to potential use of monies for a capital improvement bond and the potential reduction of the GRTs and any of that – does that still stand as this discussion goes through.
- Mayor Coss said that all would still stand. He is trying to keep the framework together about the \$4 million in cuts, the no cuts in services, those other types of issues.
- Councilor Bushee said, “It is only a \$4 million stop-gap measure, whichever fund we raid from, how does that sustain a capital improvements bond, because it’s not ongoing.”
- Mayor Coss said, “We believe we’re closing enough of the deficit and repairing that CIP Fund to the extent that with these actions, we can issue the bond, but that will still have to be determined for certain.”

- Councilor Bushee said then those lines aren't being amended out, and Mayor Coss said no.
- Councilor Wurzburger said she spoke with Mr. Romero earlier with regard to a summary of the context of all these different proposals, which would identify decisions we've made over the past 3 years to use non-recurring funds, what our projected deficit will be next year and the following year, and if we should continue with the decision of just focusing on the \$8 million deficit, as opposed to some other deficit which may be there with respect to annexation. She asked if he has that material prepared.

Mr. Romero said we are working on the information from past years. He said, "If you look at Sheet 2, we're going to project, as they have this year, that GRT stays flat..."

- Councilor Wurzburger asked which one that is, and Chair Ortiz said it is 33(B).
- Mr. Romero continued, "We project that GRT stays flat, and if you look at the first list of reductions, it totals up to \$3.755 million. Those are all sustainable, so if we chose to go with.... and also these revenue increases that I've listed are also sustainable, so if we choose to go with the \$4 million from the water payback or Wastewater Cash Balance, that means that next year we'll have a \$4 million...."
- Councilor Wurzburger said, "We'll be right where we are right now," and Mr. Romero said this is correct, unless we choose options that are sustainable.
- Councilor Wurzburger said this is the clarification that she wanted.
- Councilor Chavez said it is his understanding that if we do use reserves, we would have to repeal an ordinance that is in place now restricting the use of those enterprise funds, or limiting the use of those enterprise funds, and just wanted to point that out.

**PROPOSED AMENDMENT:** Councilor Chavez presented his amendment to this Resolution which requires that the governing body shall determine a method of repayment of such enterprise funds [Exhibit "2"].

- Chair Ortiz said it is his understanding, with the approval of this amendment, the amendment deletes reference to any property tax, and substitutes the language on the raiding of the Wastewater Fund.
- Mayor Coss said, "I don't think it calls it a raid anywhere in the language, but it does substitute the language."
- Chair Ortiz said then with the approval of this language, the property tax is off the table.

Mayor Coss replied, "If the Council acts on it."

- Chair Ortiz said the sheet behind Item 25 is a compendium of the last 8 fiscal years, which has shown a trend that the City expenditures on salary and benefits in the General Fund have been increasing at a pretty consistent rate, while our GRTs revenue have been shrinking. He said we're now in a situation where we're running deficits of between \$4 and \$5 million dollars. He said, "So my question to you Robert is if, no attempt is made to address personnel costs, do you expect this trend to continue."

Mr. Romero said if you look at the sheet you will see that in 2009-2010, solid personnel costs were \$57 million. In 2010-2011, the base budget was \$53 million. He said, "So, I think we're making every change possible to reduce that, and I think there will be a point where we can't reduce it any more and still provide the same services. So, you know, we are working just as hard as we can to only fill critical positions. I think that there will be a point in the future where we only have critical positions, and if we're going to continue to provide the same services we do now, then it will flatten out – that's assuming we don't cut pay, cut salary or fund any position at a higher level than it's going to be today."

- Chair Ortiz said, "From fiscal year 2006 to 2007, which is a time frame of 5 years, we have gone from \$51 million in salaries and benefits to \$57 million in salaries and benefits, looking at last year where our tax revenues have gone from \$54 million in GRTs to \$49 million in GRTs. So, right now, for our salaries and benefits in the general fund, we are overpaying salaries and benefits over and above the amount of money that we collect a total for in gross receipts tax. Is that right Robert."

Robert Romero said part of the General Fund is not just GRTs, and it is also the public safety tax we passed in 2006-2007.

- Chair Ortiz said if not for the Public Safety Tax we wouldn't have been able to balance the budget.

Robert Romero said we have been balancing the budget using some type of reserves, so that's true.

- Chair Ortiz said what is being proposed by the Mayor is to get at another reserve fund, and Mr. Romero said he could look at it that way, yes.

- Chair Ortiz asked Mr. Romero how else he could look at it.

- Councilor Dominguez said he appreciates everyone's patience in this process in which we've been engaged, especially the public employees, who are "teetering on whether or not there is going to be salary taken away from them, or not, and that's pretty stressful, and I want to thank them, particularly to their patience."

Councilor Dominguez said, with regard to salary and benefits, we've gone from \$57 million in 2010 to \$53 million in 2011, which is a difference of \$4 million, and asked the number of positions this represents.

Mr. Romero said staff looks at every position in the City, and today there are probably about 300 positions vacant currently, not funded. He said some of those are the summer youth to help with the Summer Youth Program, and we are probably now at 250, from 2007 to date.

- Councilor Dominguez asked, "As manager of the operations, would you say that employees are doing more with less these days."

Mr. Romero said, "Definitely. Like I said, not including the temporary position, we either have not funded or filled to date about 230 to 250 positions. So there's lots of employees doing double duty or doing it with less people."

- Councilor Dominguez said there is a difference of \$3 million in GRTs revenue, between 2008, 2009 and 2010.

Mr. Romero said in looking at FY 09/10, that \$4 million difference is for budgeted positions. There are lots of others which were budgeted for this year that are not filled.

- Councilor Dominguez asked Mr. Romero if the 3 functions we will be removing from the CIP into the General Fund, that will allow us to do a CIP bond, are the Southside Library, the GCCC and the MRC.

Mr. Romero said those three functions total about \$3 million, and what we need to do a CIP bond is about \$1.5 million which covers the debt service on a \$20 million bond. He said we need to find another source of revenue for the \$1.5 million.

- Councilor Dominguez said to him these are three critical functions.
- Chair Ortiz said we have 250 less positions now than in 2006-2007.

Mr. Romero said he went back to 2007-2008, and right now there are 250 positions which either are not funded or are vacant.

- Chair Ortiz said then there are 250 less positions, and yet the salaries and benefits from 2007-2008 increased from \$53 million to \$57 million, so we're spending more money now for less positions than we were three years ago with more positions.

Mr. Romero said, included in the \$53 million are a lot of positions which are funded but not filled, so we're not spending that money. He said if we never filled those funded vacant positions, then the \$53 million would be reduced further.

- Chair Ortiz said then that would create an even treater gap, because those positions would carry over every year, and we would have a higher expenditure.

Mr. Romero said the cost of salaries and benefits would be reduced, and if the GRTs stay the same, it means we close that gap. He said if we were not to fund those positions, the base budget would decrease in 2011/2012.

- Chair Ortiz asked if it is fair to say that for the last two fiscal years, one of the ways in which the administration has successfully balanced the budget is by not filling those positions.

Mr. Romero said we have not funded several positions for the past two years, but which were funded this year but not filled, so that's going to help us.

- Chair Ortiz said the first set of Mr. Romero's proposals under Item 33(B), are the positions he is proposing we need to do to shrink this gap.

Mr. Romero said yes, those positions, if approved would cut into the \$53 million expenditures for 2011/2012.

- Chair Ortiz said Ms. Houseman's last GRT report, showing we are at 0.4% below where we expected it to be for GRTs to date.

Ms. Raveling said we are \$400,000 above projections.

- Chair Ortiz said he assumes next year's GRT projects will be assuming the same level of GRTs, and Mr. Romero said yes.
- Chair Ortiz asked, with regard to expenses, particularly salaries and benefits, are we proposing more or less than the \$57 million.

Mr. Romero said most are actual cuts,

- Chair Ortiz said all of the items on the top half of the page essentially cut into the \$57 million.

Mr. Romero said some, such as the incentive reductions and some of the overtime savings are actual cuts in the budget. He said of the \$3.775 million in cuts, about 90% are salary benefits.

- Mayor Coss said the Chair referred to the FY 09/10 budget year which ended last June, and we are in the 2010/2011 FY, and salaries and benefits budget was reduced a little more than \$3 million from last year. He said we already have cut employee costs by \$3 million this year.
- Chair Ortiz asked, of the \$3 million in cuts, if those are recurring to the extent that we adopt some of the proposals on the first half of the sheet on Item 33(B).
- Mr. Romero said the \$3 million from last year are some of the things we're doing now, such as, for example, the Assistant H.R. Director doing the Director's job. He said the \$3 million from last year's base budget will still be in next year's base budget, so the additional \$3.7 million on page 2

is on top of that – that is in addition to the positions that we didn't fund this year such as the Police Captains. He said everything on page 2 currently are vacant positions, or will become vacant, which won't be funded in the next fiscal year.

- Councilor Wurzbarger said she is having trouble understanding the reason we would make decisions now that we know will put us in the same position a year from now – a financial conundrum that we're in now, meaning a \$4 million gap, but we are projecting the same flat GRTs revenue. She asked the rationale for just solving the \$4 million problem, rather than looking at things we do now which we haven't done in the past two years.

Mr. Romero said this is just an option. He said the property tax, or some other recurring revenue would help so that we wouldn't have that problem next year. However, if we choose not to use another kind of fee or if we can't find further reductions, assuming things stay the same, we will have the same problem. He said the gasoline increases and the State's hold harmless has added almost \$1 million to the problem.

- Councilor Wurzbarger said she is uncomfortable with this strategy, but she is "happy in a sad way." She said, "In our budget debate discussion one year from now, we're going to have the same problem, but we're not addressing that, and that's the part that makes me uncomfortable. And, I know we don't have a lot of time, but I think we need to be more thoughtful and look out further and come up with a budget that doesn't just address this year's problem – unless we're going to have conversation around this Council that talks about how we're going to make up the \$4 million, and also particularly address the annexation issue."
- Councilor Dominguez asked if there is any correlation between legislation that we passed and the need to hire more people to implement some of that legislation, such as spraying the medians versus cutting the medians, which he supports, and the Living River.

Mr. Romero said he would guess that every service we provide is the result of some kind of legislation. He said we need the people we have today to provide the existing services.

- Councilor Dominguez said we are now talking about a continued deficiency, and we are going to have to continue to learn how to be efficient. He asked for an example of those efficiencies.

Mr. Romero said, regarding top management positions, we hired Isaac Pino as Community Services Director and he now also serves as Public Works Directory, Brian Snyder is triple filling positions, Martin Lujan serves as MRC Director and Recreation Division Director, and Vickie Gage is acting HR Director.

- Councilor Dominguez said then Mr. Romero is going to continue to look at ways to flatten the organization.

Mr. Romero said he will continue to do that as positions become vacant. However, he reiterated we will come to the point that to continue to operate as a City we will need to fill certain positions.



- Chair Ortiz noted there is a proposal to take \$4 million from Wastewater to cover our deficit this year. He said there are only two years of reserves in that fund which can be raided for General Fund shortfalls. He asked the balance in that fund.

Mr. Snyder said it is \$19.5 million.

- Chair Ortiz asked how we got to the \$19.5 million balance.

Mr. Snyder said, "The makeup of the \$19.5 million is from revenues from GRTs, bond sales, rate increases, effluent sales."

- Chair Ortiz said the last rate increase was in 2007.

Mr. Snyder said the last rate increase was effective January 1, 2010.

- Chair Ortiz asked if we have figures on how much of the revenue comes from that rate increase.

Mr. Snyder said it was a 30% rate increase and produces about \$2.2 million annually.

- Chair Ortiz asked, how much of the money in the fund is allocated specifically for capital improvement projects in TEMP or the Wastewater Capital Improvement Plan – how much of the money is spoken for already because of improvements that need to be made to infrastructure.

Mr. Snyder said the Wastewater Plan goes out six fiscal years, and the total for the six years is about \$19 million.

- Chair Ortiz said what we've done in Wastewater and Water, when there have been capital improvements, is to dedicate a portion of that revenue stream to bond for those capital improvements. He asked if there are any plans to use any portion of the cash reserve for bonding for the \$19 million in improvements.

Mr. Snyder doesn't know what the bonding requirements will be in future years.

- Councilor Bushee said she first noticed the additional \$12 million about two weeks ago at PUC, and asked if it could be used to prevent the next two rate increases which were recommended by a director who is no longer with the City. She said we can't decide "willy nilly," to raise rates, and we need to hire a consultant to do rate studies and such. She asked if the previous advisor or director provided incorrect information in projections, or if we were planning to use those funds for something else, but we no longer need to do so. She said her colleagues already had said they weren't interested in a stop-gap measure.
- Councilor Bushee asked if we have an obligation to the ratepayers of Wastewater to return the additional funds, and/or cancel the next two rate increases, and asked when those will be implemented.

Mr. Snyder said the first rate increase, effective 01/01/2010, was 30.1%, the next increase is effective on 10-1-2012 at 4.7%, and the next is 4.7% on 10-1-2013, and another 4.7% on 10-1-2014.

- Councilor Bushee asked if there still are plans to implement the remaining increases.

Mr. Snyder said the approved Finance Plan does include the approved rate increases.

- Councilor Bushee said in undoing the Enterprise Fund Ordinance we could also undo and try to slow down the proposed rate increases, because the Plan isn't legally binding.

Mr. Snyder asked what she means by legally binding.

- Councilor Bushee said if the Plan has some kind of legal effect that the money has to go to the utility itself, we wouldn't be trying to raid it. She asked if/how we can the approved rate increases for the next 3 years.

Mr. Snyder said the rate increases and Finance Plan were approved by the Governing Body, and can be repealed by the Governing Body through the same process – by ordinance.

- Councilor Bushee said the \$12 million was innocently inserted into a power presentation, and she was surprised, and asked if there was a way to "turn around the impact of the rate increase." She asked Mr. Snyder to explain "how we didn't need that money that was advised that we raise."

Mr. Snyder said the reports of the Finance Plan update were based on incorrect reports from previous directors.

- Councilor Bushee asked if the advisors were given incorrect numbers, and Mr. Snyder reiterated that the starting reports were incorrect.
- Councilor Bushee asked if we bonded and built the capital projects.

Mr. Snyder said it is understanding that the projects identified for the most recent bond sale in 2006 were completed, based on his investigation of the project files.

- Councilor Bushee asked, if the City wanted to give the ratepayers a break, if those reserves could be rebated up to a certain amount.

Mr. Snyder said if the currently approved 4.7% rate increases scheduled for the next 3 years have not been done, and if the 30.1% rate increase is held in place, the current cash balances would be reduced from approximately \$19.5 million to approximately \$13 million by 2015.

- Councilor Bushee asked, if we were to rebate the 30.1% increase, what would happen.

Mr. Snyder said the 30.1% produces approximately \$2.2 million annually.

- Councilor Bushee said she wants to be sure we have adequate reserves.

Mr. Snyder said he doesn't know the impact on reserves if the 30.1% increase were repealed. However, if that is done, a rate increase would be needed in the future, but he doesn't know the amount of the rate increase.

- Councilor Bushee asked the amount of reserves we are required to keep in Wastewater.

Mr. Snyder said there is a minimum target of \$7.5 million, and the balance over the past 9 years typically has been \$16.5 million or more, which is for emergencies in wastewater.

- Chair Ortiz said a rate increase typically produces the desired reserves.
- Councilor Wurzbarger said she is concerned about using these funds as a strategy, and she wants to understand and wants the public and the Council to understand how we got to this situation where we've gone from not having enough money to now having \$19 million, which is a seemingly wonderful solution to the current problem. However, she isn't confident with that figure, and wants to understand how we got there, and more importantly, as we look at this at PUC, that we understand the options for using those funds. She said we don't have the answers to these questions and we should not say this is the solution. She said perhaps we can use part of these funds, and we have to pay particular attention to the impact on the bonding and whether we have done everything we said we would do with these funds. She said this will be on the next PUC agenda, commenting she is very grateful for the work he has done. However, she wants affirmation from Ms. Raveling and Mr. Snyder that we know exactly, or more clearly, how we got into this situation and what are our options in this regard.
- Councilor Chavez asked staff to speak to the amendment which provides, "The Governing Body shall determine a method for repayment of such enterprise funds." He believes that goes to the issue of wondering and worrying about maintaining adequate cash reserves in the future if needed for any of the capital improvement projects in Wastewater.

Mr. Romero said we could try to save what we could, and at the end of every year see what is left in the General Fund and try to pay some of this back, or if the GRTs increase, we could pay it back then. Or, we could continue to look for other potential savings, and use the savings to for the payback, saying he really hasn't researched this.

- Councilor Chavez said this becomes a slippery slope, and we're opening a can of worms or "a box of Pandoras." He agrees that has to be considered, but it is only a one time shot and won't solve our problems. This is the reason he wanted to have a discussion about these transfers and how to keep track of the impact.

- Councilor Wurzbarger thanked Councilor Chavez for bringing this as an option, and she has always been grateful to him for keeping our “feet to the fire” about Water repaying the General Fund. She is quite concerned, given the reality of the \$4 million and the annexation, and the realistic probability of a payback, and she wants to see a plan of how that would occur. She agrees that we shouldn’t be taking these funds without a plan of repayment, but she is concerned about the amount of payback that can be done. We need to be very thoughtful and be sure we’ve covered all of our options before we continue to take money from an enterprise fund.
- Councilor Calvert said what he is not hearing is that the Water Division still owes the General Fund \$12 million with no plan to repay. He would be glad to work with the Council through PUC and Finance on a plan to repay Wastewater, commenting it should be considered a loan. He said the two plans should be linked together – the Water Division payback of the \$12 million to the General Fund could be part of the strategy for repaying what we borrow from Wastewater. He said, with regard to raiding this fund, it is unfortunate we have accumulate more money than we needed. However, we also are subsidizing water rates to the tune of \$12 million. He said you can refund to the Wastewater customers, but to be consistent it would be necessary to raise water rates to recoup the \$12 million. He said we had an opportunity to do that not that long ago, but there was no will on the Council not to punt on that one and to get the appropriate funds due to the General Fund. He said if we had that \$12 million in the General fund, we wouldn’t be discussing raising funds or going to Wastewater for additional fund, we would be whole now and for quite a few years.
- Chair Ortiz said, because he knows the history of the loan, we did a big mistake. We essentially blamed the Utilities Department and the former director, when the responsibility really rested with the Finance Department. We had put ourselves in a situation where we had not properly overseen PNM when it ran the water company, and we were running up huge deficits. And we were drawing on cash reserves to the point that the bond company was going to put us in default. The City had no choice but to do this in the General Fund. The only reason we did it was because we had a practice then, as now, to take money from the enterprise funds to pay for General Fund services. He said currently we take 8-12% from each of the enterprise funds which have healthy balances to pay General Fund costs, and to cover shortfalls in the General Fund. If we didn’t have those reserves our hole would be much greater. He said this is the only loophole in the ordinance we are proposing to amend. He has to disagree that we would be in a better condition.
- Councilor Calvert said he isn’t questioning that decision, but that you made a loan with no plan to repay that loan. He fully understands the decision, but there is \$12 million outstanding with no plan for repayment.
- Chair Ortiz said the reality is the reason he resisted the increase in proposed water rates to repay the \$12 million was because of the “sticker shock,” effect on the ratepayers which equals the taxpayers which we couldn’t afford then when the budget was in better times. He said what we’re doing now, as Councilor Chavez said, is once we open the door to allow the enterprise fund to start subsidizing the General Fund, is to allow a situation which is fiscally irresponsible because it depletes the reserves. Secondly, government services are not to be borne on the backs of the

ratepayers. The ratepayers expect to pay for utility services, not for libraries, City Hall employees, and once we open that door, that door won't close. The same kinds of political pressures will continue to be applied, because in 2-3 years we will be faced with the same dilemma. He said if we have \$19 million, but historically have kept \$16 million, we will be dropping below historic levels with the \$4 million transfer. He said if we take another \$4 million next year, we will be at the bare minimum in that fund, and asked what pot we will use at that time.

Chair Ortiz said, while this proposal has some merit as a compromise, it still needs more work, because it doesn't address the underlying problem – escalating fixed costs of salary and benefits without finding sustainable levels of funding.

- Councilor Calvert said the Chair is contradicting himself, in saying the ratepayers have to pay for the services they receive, but in reality they aren't because there is still a \$12 million subsidy in water they aren't paying for. He would propose that we borrow from Wastewater, make both funds whole, restore integrity to the funds and repeal this ordinance amendment at that time. He said it is inconsistent to say the gate can swing only one way.
- Councilor Romero said she hasn't let go of the idea of a tax increase, although that could be a little less, with a package of sustainable revenues and reductions of the loans. She said the long term goal of a sustainable revenue will be some kind of tax increase. She thinks everyone should take part of the hit and not just the homeowners. She is interested in working on a plan of paybacks, and is not interested in pushing the debt forward without a plan. She considers these as loans which need to be repaid. She spoke about the \$45.00 payback from the State, and said she would rather give the check back to the State and less taxes. She said that didn't work, and she isn't interested in rebating to the ratepayers, when they already are getting a break on the water. She would like to see a package – lesser tax levy, less from the reserves, and the reduction of expenses to live within our revenues.
- Councilor Bushee said nobody who is a Sangre de Cristo water user is getting a break, because we have the highest rates in the State, the southwest and perhaps the Nation.

Chair Ortiz said he differs, noting his brother living in Mesa pays 40% more for water.

Mr. Snyder said the rates are in the top three in the State, but doesn't know if we are the highest.

- Councilor Bushee said the reason we didn't approve a payback plan for the \$12 million was that it would raise rates. She asked that those who are considering raiding the Wastewater reserves, to consider taking the \$1.1 million payback from the water company. She wants us to take only what is needed from Wastewater. It would be a better move. She wants to know the logistics of passing an ordinance when the budget is due by June 1<sup>st</sup>.
- Mr. Romero said the ordinance would have to be adopted on the same night we adopt the budget, or no later than June 1, 2011.

### Comment – Collective Bargaining Units

Chair Ortiz gave each of the collective bargaining units 5 minutes to speak to this issue. He said he will consider giving more time on request.

**Joseph Lovato, Treasurer, AFSCME #3999**, said he is here as member of AFSCME, an employee of the City and a citizen. He cares about this City and its future. He said AFSCME is offering an alternative to what has been proposed the past months. He said AFSCME has a written proposal which comes from the employees. He said you don't have to go after the money from Wastewater. He said Brian Snyder has done a great job, and he is to be commended. He said this isn't an easy thing to do, and they have come up with a proposal as requested by this Committee [Exhibit "3"].

Chair Ortiz said he will give AFSCME 10 minutes to speak to the issue since they have a written proposal, and all those unions without a written proposal, will have 5 minutes to speak to the issue.

### AFSCME

**Joseph Lovato, AFSCME #3099**, said the money in Wastewater was placed there in the event it experienced problems as fall-back funding. He said using reserves means we will be back again next year with the same problem. He said this needs to be fixed now for the community and the employees, because they are getting hit from both sides, and it is no longer fair. He said they believe the City can tighten its belt, and there may be pay cuts, but this needs to be done in the right place. He said employees are trying to exist in Santa Fe, just exist. He said prices are increasing, but we are still being asked to do the same job with less employees. He said they are doing this, but now they are going to be asked to do more with less, with less pay.

Mr. Lovato reviewed the information in Exhibit "3." Please see Exhibit "3" for specifics of this presentation. Mr. Lovato said the proposal involves basically the following:

- Pay reductions and fairness;
- Leave/incentives pay;
- Operational Efficiencies/business practices;
- Grant programs/positions;
- Zero based budgeting vs. incrementalism;
- Regular audits of all City operations; and
- Credential based hiring.

*The Committee commented, made suggestions and asked questions as follows:*

- Chair Ortiz said this is flex scheduling and asked if the union is in favor of flex scheduling.

Mr. Lovato said these are negotiations, but their scheduling is done by management, we just have to be sure there are facilities to be operated..

- Chair Ortiz said parking is one of those agencies where collections are not as efficient as possible.
- Chair Ortiz asked Mr. Lovato what is the grant fund he identified.

Mr. Lovato said the one he's discussing here is in the Senior Division. They show the grant is \$2.8, but the total funding is only \$1.9, so the City is getting stuck with the balance of \$868,000. We need to tighten these things before we talk about cutting someone's pay.

Mr. Lovato noted that out of 809 members, 602 live in Santa Fe, and they are the community.

- Chair Ortiz asked Mr. Lovato what can be done in-house versus contracted out. He asked if the union supports studies to see what can be contracted out.

Mr. Lovato said no, they are saying work is being contracted, while the employees are being said to be lazy and just standing around. He said our job is to go and watch the contractors do their work, and that is money wasted which should be used to hire things done in-house. He admitted there are some jobs that have to be contracted, but there are some jobs they can do in-house and that is being efficient.

- Chair Ortiz asked if the union has identified those positions and where there can be savings.

Mr. Lovato said they can. They just want you to know where AFSCME stands. They have been doing their homework and the cowboy math being done took them this long to do this, because they wanted actual figures, year to date, and not projections.

- Chair Ortiz asked if the costs in the chart are consistent with what we have seen, and Mr. Lovato said these are done off City numbers, as well as them "digging to find actuals."
- Chair Ortiz asked if AFSCME has begun negotiations on incentive pay with management, and Mr. Lovato said not at this point.

Mr. Lovato said the public has to understand that the only sustainable revenue is from property taxes, and what we have been relying on is no longer sustainable and that needs to be addressed.

**Adrian Dalton, AFSCME** said what is being asked of the Committee and the Council is to change the culture, to change the way the City does business. He said we can't continue to operate this way, or we will be here again next year with the same problem. He has to balance his checkbook, and he expects "you to do the same." He said it is a conundrum. He said, "You are asking us to tighten our belts. You're asking us to balance our books, and we're asking you to do the right thing by this community." He said you need to be able to say you did the best you could, or "did you cut a deal." We can't take the easy way out anymore, because he and the citizens are getting squeezed and they deserve better. We are going to have to build a better government right here.

- Councilor Bushee said on one page you say non-union \$35 per hour above 49 employees and on another page you say 76 employees.

Mr. Lovato said that was explained at the beginning of his presentation. He said the 49 is in the General Fund and the 76 is City-wide. They are looking at the actual effect of people who live and work here, and what others are taking away from the community.

**Lawrence Vigil, President, AFSCME**, said the bottom line is that taking money from Wastewater is a band-aid and we'll be back here next year. He said the City workers do work hard, and they don't sit around like some of the public says they do. He said 81% of their member employees live in the City, and if you cut "our pay and you furlough us," those workers will stop paying for water and sewer and other things just to put food on the table. He said we can't be putting band-aids on the budget any more. He said we have the "ACT up there, Accountability, Customer Service and Transparency." It goes both ways. He said they provide customer service every day whatever the weather and are working hard. He said the employees need your support, and we need you to look at increasing the property tax and possibly raising the GRTs. He said, "We've already taken a work reduction and it affects our family."

Chair Ortiz thanked Lawrence Vigil and the members of AFSCME who have done a great job with this proposal. He asked Mr. Vigil to fill in some of the details, some of the bullet points with actual numbers before the next meeting. He said this is a great step, noting this Committee has not seen some of the suggestions which are in the proposal, which are valid and will be put on the list.

- Councilor Chavez said for us to say that any of these proposal are ridiculous is unfair. He said he will defend the proposal he presented to consider furloughs and reduction in salaries. He said we aren't that far apart, noting Mr. Lovato spoke about "pay reductions in the right place for the right reasons." He said the impact you see on your family is the same as the one he sees on working families if we increase the property tax. He said we need look at both sides, we need to listen, understand and respect both sides.
- Councilor Chavez said, it doesn't matter how we "slice and dice" this budget, somebody will be impacted in a negative way. He said people already are not able to pay their water bill, noting we had lots of calls during the winter for utility assistance.
- Councilor Chavez asked Mr. Lovato to look at each of the facilities on the flow chart, such as the MRC, Sweeney Center, Library, and do a breakdown indicating peak hours of use, and see if we can reduce our hours of operation, which also would produce a cost savings.
- Councilor Chavez said, in terms of sustainability, we can tax and spend and say we have a solution because we have a revenue source. He said the other side of sustainability is in the long term, in the future, day in, day out, and efficiency has to be part of it.

Mr. Lovato said he understands, and in the proposal they are looking at future sustainability. He asked the reason the public doesn't complain about GRTs, but that is decreasing and we can't



depend on it any more. He said they're talking here about a five-year plan so we're not here with the same issues year after year. He said we need to work together. He said the public should know how their money is spent.

Mr. Lovato said he is asking AFSCME employees to take a pay cut along with the property tax increase, commenting he isn't asking more of the public than he is willing to ask of his employees. He said last year, AFSCME gave \$1.3 million in work reductions last year, but we're being asked to give more again this year.

- Councilor Chavez said he knows, but that was last year's budget, and hopefully we won't be doing this year after year.

Mr. Dalton said AFSCME has opened the door for discussion, and we are willing to sit and present a power point.

- Chair Ortiz said that would be great, saying we need some of these details.

Mr. Dalton said the proposal before this Committee is a tax increase, perhaps less than the Mayor wanted. He said these are building blocks, and we have to work through this together, commenting that you asked us for help and we are here to help you.

- Councilor Dominguez asked when we can start looking through this.
- Chair Ortiz said they should have the details by Thursday, April 28<sup>th</sup> which is the first day of the budget hearings.

Mr. Lovato said they will work on this, but they will need to work with City staff for some of the information, noting they are no longer meeting every Friday.

- Chair Ortiz said this Committee will direct the City Manager and Human Resources person to do this. He said, to the extent these numbers differ from staff's, he would direct that those be Included as part of the list/sheet.
- Chair Ortiz asked Mr. Romero if he has a copy of the union proposal and Mr. Romero said he hasn't seen it.

Mr. Lovato said he will provide a copy to Mr. Romero.

- Councilor Dominguez said this is a great start, but some of the details need to be identified.

Mr. Lovato said some of the equations are across the board, but we need to cut where we can and not impact the economy of the community. He said these tough decisions need to be done "right and fair."

Lawrence Vigil said we need to stop the spending, and stop the practice of "well we've got it, we'd better spend it."

## **Firefighters**

**David Jenkins, President, Firefighters**, thanked the Chair for allowing the bargaining units to speak. He said there is one aspect of the pay reduction that impacts the Firefighters. He said more than 60% of the firefighters live in Rio Rancho and Albuquerque and commute, noting they use about \$2,000 annually in fuel. He said they are working away from their families, unlike the firefighters who live in Santa Fe whose wives and kids can stop by the station and visit them. He said in terms of salary reductions, at some point his fear is that the firefighters will start looking at other options and other places to work. He said the Albuquerque Fire Department is hiring right now. He said when you start to have significant personnel shortages, they are told they can't go home and have to stay and fill in. He said it creates a cyclical problem where people start looking to go to work elsewhere.

Mr. Jenkins said the Firefighters certainly are willing to cooperate, but this is a reality specific to Fire [and police] which has minimum staffing. He said their primary consideration and concern is about annexation. Mr. Jenkins said in 2003 he recommended adding two stations when the call line was at 9,000 calls a year. He said right now we are at 12,000 calls a year, with the same number of stations and the same level of minimum staffing. He said Chief Salas has laid-out everything the Department needs for annexation – two fire stations, two engines, two ambulances, one tanker and 50 additional personnel for Phase 2 and 3 of annexation, at a cost of \$14.2 million, and we need \$6.2 million for Phase 2 which is next year. He said if we had the money and started tomorrow, we still wouldn't have everything in place by the time annexation is complete. He said this is what they need to do their job following annexation, and without it, it just won't happen.

Mr. Jenkins said they always have make do with what they have until now, but they won't be able to manage the annexation without the needed infrastructure and manpower. He said the end result will be that people are going to die unnecessarily. He said he has been told by heart specialists that if someone has to wait an additional 15 minutes, that takes years off your life, or people could die. He said all they want to do is to do their job. He said he is glad AFSCME has put more options on the table, and the Firefighters are willing to do what they can. He said whatever the decision, "We will be derelict if we don't address annexation now, not three months later, but now. We have to do it now. We're all busy, we all have a lot on our minds and on our plates, and we all gotta meet that May budget deadline, but we no longer have the luxury of time. We are staring disaster in the face. I hope whatever we do, we do finally end this budget process with a concrete plan of how we're going to address annexation."

- Councilor Chavez said annexation is another thing we've punted back and forth for the last 35 years which was before our time. He said there is a cost with or without annexation and the hard cost of delivering services through an MOU. He said people in the fastest growing part of the City already are depending on volunteer fire and sometimes EMS. He said Mr. Jenkins is right. It is

not only a financial dilemma, it is a growth issue and how to provide those services. He said the City has spent a lot of money over the past 10 years providing services to the Southwest sector, and it will continue to grow.

### **Police Officers Association**

**Adam Gallegos, Vice President, Santa Fe Police Officers Association**, said he is here on behalf of Sgt. Lopez who is on his honeymoon. He said 4 things have been brought up by the Committee, as follows:

- 1) The first is the negative impact of the change in the sick leave early retirement benefit. He said some of the actions taken, and the talk that has been going around already have had a negative impact on the Police Department, noting there is a huge void in middle management at the Police Department which will grow as people start to leave in the next month. He said as of today there are 20 vacancies, many of which are upper of middle management. In the next two months, that will increase to 25.
- 2) The talk of pay reductions and salary cuts, change in vehicle take-home policy. He said the officers who resigned aren't going to say in their resignation letter they don't want a 3% pay reduction, because they want a positive reference in the future. He said they are telling him they are leaving because they can't afford a 3% pay reduction, noting two left to pursue other career paths. He said that says a lot about what's happening.
- 3) Annexation is coming, and to a certain extent it already has happened. He said the Department already is taking calls on I-25 at the factory outlet mall and that whole corridor. He said these already have absorbed countless man hours, despite MOUs and understandings. He said every night you hear the battle between our shift supervisor and the Sheriff's Office supervisor. He said the City managed the recent crash with the ambulance on I-24, although the Sheriff's Office was the first on the scene – the City handled the entire matter. He said they're punting to us. He said annexation is a big issue and it's coming. He said before the budget issues arose, we were discussing adding 72 police officers to the Department to bring us up to speed, and 45 police to bring us to national standards, with 27 to handle annexation. We are now at 12 police officers, including those with the COPS program.
- 4) The Comprehensive Plan. He said, with annexation, and the negative impact on staffing, he would encourage the Governing Body to move forward with this. He said taking reserve funds here and there fixes us for a while, but we really need to look at something more comprehensive down the road. He said annexation has and is already impacting the Police Department, as well as the change in sick leave. He said the talk of benefit reduction has impacted the Department. He said it takes a lot of time to hire new policemen, and the Department already is 20 people short.

- Councilor Chavez asked about the issue of shift change, and it that is still up in the air.

Mr. Gallegos said that is set for arbitration.

### **Public Hearing**

#### **Speaking to the Request**

Chair Ortiz gave everyone two minutes to speak to the issue.

**Vioma Trujillo, City employee**, said she said she was brought to the City under contractual obligation when the City purchased the Sangre de Cristo Water Company, and was asked to work for the City in a good faith effort and she has done that. She said Clarence Francis once said, "You can buy a person's time, you can buy his physical presence in a given place, you can buy a measured number of his skills muscular motions per hour, but you cannot buy enthusiasm, you cannot buy initiative, you cannot buy the devotions of hearts, minds and souls. You have to work for those things." She worked in the Facilities Maintenance Section of Public Works which is composed of structural, mechanical and custodial union members and supervisors. They provide maintenance to approximately 69 buildings with the possibility of adding Pete's Pets and Laureate College. She said 22 people provide maintenance of City structures. She said they are asked for ability and sustainability, and been told they will have to do more for less. She said they are doing more with less and you would be amazed what comes out of their department with quick resolution, and maintain efficiencies with quick operation. She said many buildings are aging and falling into disrepair. She said the Union members are there to solve the problem. She said, "We are part of John Q. Public, we are working and we are here united in solidarity."

**Bruce Weatherbee, Central Labor Council of Northern New Mexico**, said the Council supports the original proposal for the property tax increase for sustainability. He said the Mayor indicated in discussions in the past that the idea is to effectuate a decrease in the GRT once the economy stabilizes. He said Councilor Calvert's proposal to repay the loans is a good idea. He said efficiency in government is always a good idea. He said instead of vilifying the people that work for the City, we should thank them for bringing suggestions to get everyone to the table to reach a solution. It is very easy to tear down an old structure, but the hard job is building something. He has been a legislator, and understands the pressure and difficulty in voting for cuts. He said you have a recipe for getting something the City can be proud of it, and for providing a sustainable source of funds. He asked his union brothers and sisters to look at the Council and Mayor and help them resolve this. He said there is no such thing as a free lunch and we do have to understand the country is falling apart because we have taken the attitude that if we just say no taxes and forgotten about the situation. He believes the tax issue should not be removed from the table. He said the City needs the best possible package that provides the "biggest bang for the buck," and which is fair and equitable for everyone.

**Marta Nystrom, Financial Planner**, said 90% of her clients are Seniors which are disproportionately under-represented at these meetings. She said they are tired, sick, can't hear or see well, can't move around easily. She said their social security has not increased for 3 years, while medical

costs have skyrocketed, and they have been paying higher GRTs, water and utility rates, and are now doing reverse mortgages in record numbers. She said the increase in property tax will impact their ability to stay in their homes. She said due to the annexation, there are more middle and lower income class seniors that will be impacted by the increase. She said there isn't going to be a fair solution and everybody has to give, but you're about to start putting seniors out of their homes with this measure.

**Rudy Montoya** said he is asking the City Council to do the same he's asking of his coworkers which is to do the best possible job here.

**Angela Merkert, Executive Director of Safe at Work Community Outreach**, and a member of the Board of the Interfaith Community Shelter, and member of the Interfaith Leadership Alliance, all of which have come out and endorsed the "Keep Santa Fe Working," proposal to keep City staff working because they are concerned about the level of services for the invisible population – elderly, disabled, youth, very low income people who may not be as visible, but depend on the services provided by the City to maintain a level of well being. She spoke about the potential for property taxes, saying she finds Santa Fe and Santa Fe County's rates to be low. She said in her conversations with others, they know there will be a cost for various parts of the community, no matter what decision is made. She would like the Committee to strive to address the issues around looking out for the common good and making this solution as equitable as possible.

**Doris Gallegos** said she is a native Santa Fean and a property owner. She is not for cutting the employees' pay, but doesn't believe raising property taxes is a solution either. She said not all of the members of the community own property and many rent. She said the burden falls on the property owner. She said the property tax seems to increase every year. She lives in the new Phase 1 annexation and has been forced to accept City services she didn't need or want because she is now a part of the City. However, the City doesn't come to her rescue when her driveway is covered with snow, or washes out, noting it is still a private road even though they have been annexed. She said now you want to raise the property taxes which she does not think is a solution. She said the GRTs put money into the General Fund, and suggested raising the GRTs so everybody pays a part, at least through the crunch and then look at decreasing the GRTs. She said it isn't fair to look only to the property owners to solve this crisis. She said when property taxes increase, mortgage payments also increase which is a double burden on property owners. She supports using reserves in the interim.

**Andrew Lucero, Santa Fe Trails**, and said we have been going through this every year since the 1990's. He doesn't know how cutting his pay will help, because we'll be in the same boat over and over. He is here to talk about the one benefit he has, which can't be stripped, which is serving the public. He said if you want to see where our tax dollars will go, hang out at the plasma center where people go to get money for a bus pass, or the people at St. Elizabeth Shelters who depend on us to take them where they need to go, or veterans who use the buses to go to the Veteran's Center, noting he has given them money out of his own pocket so they could ride the Rail Runner. He said people need the bus service to take

them to work and to medical appointments, and when you cut hours and routes, these people can't do that. He said the homeless use the Community College to get their GED, the library for job applications, our swimming pools for physical therapy after strokes. He these are the people for whom he is speaking, and we need to continue to provide services to these people in the community.

**San Juana Gonzales, born in Santa Fe** and worked for the telephone company. She is now retired and once was a union member. She said for a lot of years she was asked to give up a day's wages, pay more for benefits, "don't do this, don't do that," and she complied. She has been retired for a while, and lives in a home her parents left her, and on a fixed income, an incredibly shrinking income. She pays property taxes, and she now has to pay health care costs which she didn't pay previously. She asked the Committee to think long and hard about people like her without another income. She said she could go back to school or get another job, but asked, "Who wants to hire someone of my age with limited skills." She said take the "band-aid" and work on the future, and perhaps we can channel rate increases elsewhere.

**Paul Morrison** has lived here for 9 years. He recommend the Council and Mayor, read *Road to Serfdom, Economics in one Lesson*, by Henry Hazlett and *Atlas Shrugged* by Ayn Rand, to get you started on the right path. He said there are empty stores on Cerrillos and in the mall. He said this City is one of the hardest places in which to do business in which he's ever lived. He said your socialist progressive agenda isn't working, and asked them to try the free market. He said we don't need to raise taxes, and we need to do a better job of governing, and you need to get rid of the unions, and crazy and expensive retirement plans. There is no reasons unions should be a part of government. He said President Franklin D. Roosevelt said, in essence, that unions don't belong in government as employees. He said try to do a better job and get rid of your socialist agenda.

**Linda Campa** said if the tax increase isn't off the table, we need to look at taxing people equally. She said the New Mexico Tax lightening law limits increases to 3% for homes which were purchased after 2001. She would like the tax to be applied to all.

**Joe Villarreal, staff with AFSCME**, said he has mixed feelings about what is happening, and is glad something is being resolved to offset the budget. He said a month ago, the Council said it wanted to move away from stop-gap measures, and to move toward sustainability. He said people need to see this debate, because if something isn't done, the City won't be operating well. He doesn't understand Councilor Bushee's suggestion to give away the Wastewater money and then we're back to square one. He sympathizes with those on fixed incomes, but pointed out that union members are on fixed incomes as well. He disagrees with the comment that people need to read Ayn Rand and start destroying unions. It's easy to "throw FDR out there, because he was a Democrat." He said it is always easy to support unions when they're not your workers, and FDR's workers were federal employees. He said this Council has been supportive of unions, and asked them not to take the property tax off the table. He said this is supposed to be a shared sacrifice. He pointed out that 81% of the AFSCME members live in he City.

**Jennifer Garcia, City employee** and proud member of AFSCME Local #3999, said she also is a proud mother, wife and granddaughter, born and raised in Santa Fe. She asked the Committee not to take the tax increase off the table. She said keep our people at work. She said she needs to work to be able to provide for her family.

### **The Public Hearing was Closed**

**MOTION:** Councilor Wurzbarger moved, seconded by Councilor Bushee, to postpone these items to the next Finance Committee meeting, in the interim to take these deliberations into consideration, and to take no action on Items #25, #26, #27(A) and (B) and #28.

**DISCUSSION:** Councilor Wurzbarger said she heard this evening that there are various Councilors who are willing to work a compromise, looking at the various options, and in the words of Councilor Romero, "to have a comprehensive plan," rather than an individual plan based on the most recent idea. She said we really need to go back to the table and work this out.

Councilor Bushee thanked everyone for attending and following this issue. She said it is interesting that people on both sides are wearing stickers saying "Keep Santa Fe Working." She hopes we can arrive at something that achieves this goal and balances the budget, and looks toward the future in a way that is more sustainable. She said it should never be an "either/or" and should represent the hard work of a lot of people. It has been frustrating to follow this in the newspaper rather than getting actual information. She doesn't want to put staff in our cross-hairs in any way. She said from the City Manager on down, the employees aren't suggesting these changes and are providing information. She would like this information to be put on line. She said we haven't had a City budget on line since 2009, and would hope the information on enterprise funds to be put on line. She would like some kind of analysis of the history of the City's reserves/enterprises for the past 5 years. She believes we need time to distill this information and perhaps develop a hybrid which would provide a better position for future budgets..

Councilor Dominguez thanked the public for coming out and the Governing Body for listening and taking everything into consideration, noting the Committee has been working on this for some time. He thanked Chair Ortiz for his leadership in this process, noting he has made it clear that the bargaining units need to come to the table, and it looks like they're doing that. He said this has been a transparent process, commenting this is the second public hearing on some of these proposals. The Chair always has encouraged people to attend the Finance Committee and educate themselves with the realities and know that we are working on this. He said we need to keep our focus on what it is we're trying to do. He said this Governing Body has expectations and have passed ordinances and resolutions to do certain things, as have past governing bodies, to provide services..

Councilor Dominguez said, as a public employee, he understands the service provided by public employees. He said he lives in an area that is part of the annexation, and they actually need more services, and the issue is how to pay for that. He said the City Manager has done a good job of holding people accountable and finding efficiencies and that needs to continue moving forward. He said the unions are moving in this direction as well, and they understand that based on the proposal this evening. He said we have been given choices, some sustainable and some not as sustainable. He continues to

support raising the property tax to pay for the parks, police and other services that people need on the south side in the future. He said we shouldn't point fingers at anyone. He said one sustainable way to balance the budget is to cut salaries and incentives, but he can't support that right now, because we shouldn't pick on any one group of people. He doesn't think that this Governing Body or past Governing Bodies have done that. He said he cannot support the idea that we are going to pick on public employees as a way to balance the budget. He said management has to sit here at times into the night being hammered by the Governing Body. It is hard for him to support cuts to employees.

Mayor Coss said he has comments for the record. He thanked the Finance Committee for going through this exhaustive process on the budget for many months. There are 3 proposals, including furloughs and pay cuts, as a way to balance the budget. He is hopeful the Finance Committee will find a fair solution. He said, "Despite what some in the right wing might want, I'm never going to be an Ayn Rand kind of politician, and not going to support the notion that we don't need government." He said we are in one of the worst droughts in our history, but because government drilled wells in the Buckman, and government completed the Buckman Direct Diversion project, we are able to keep our economy moving forward. He said government services are critical, and he doesn't want to balance this budget by further cutting those.

Mayor Coss said, through the work of the Finance Committee and the administration, we've identified \$4 million in additional reductions for the next year. He said we've reduced salaries and benefits from a high of \$57 million to \$53 million this year. He said we hit that high after we hired 12 new firefighters and 25 new police officers, which might have a little to do with that number. He said we are talking about how to reduce the \$53 million to \$49 million in these cuts. He said \$7 million cuts to personnel and benefits have been or can be made by the Finance Committee.

Mayor Coss said he had hoped we could act on this tonight. He said Councilor Calvert developed a compromise which gives us time to look at the property tax and taxation questions, and preserves services without cutting workers and services. He said he is happy most Santa Feans seem to be supporting that, and want the services and to share the cost equally. He said he is a little unhappy to see the public employee union attack management public employees – let's just cut them.

Mayor Coss said, "I would like to stand up for public employees as a class in this society who are under attack now. Their benefits are too good. Their retirement is too good. Their wages are too good. They don't work hard enough. I heard those kinds of attacks against immigrants, against every minority you can think of. It's nothing new, and now, it's public employees singled out as a class and attacked in this society. And I'm glad that most Santa Feans are not going along with that. And I don't think that this Council's going to go along with that."

Mayor Coss continued, "I think we have at least two proposals on the table, and we can balance the budget fairly and we can keep Santa Fe working without hurting families of those who work for the City or working families of those that depend on these City services. So, and the last thing I'll say, is Rebecca Wurzbarger said she's happy in a sad way, but next year the budget problem will still be with us. Yes it will. Next year we're going to have a difficult year. I can't remember in my years of service on the Council when it wasn't a difficult year. So it's going to be a difficult year next year, but we started this process with an \$8 million deficit going as far forward as we could see. But, with the actions that you've taken on



Finance that have been Robert's recommendations, that \$8 million problem is now just a \$3 million problem. That's what we're trying to solve. If we make it, we're going to solve the Wastewater surplus problem. If we make it, we're going to solve in \$14 million of new revenue for annexation next year. If we keep adding on what we're going to solve going forward, we won't solve this year's budget. And it's critical that we solve this year's budget."

Mayor Coss said he is thankful for the work of the Finance Committee, and Councilor Calvert, and wants to move forward in a way that doesn't cut services that the public needs, and we don't attack public employees as a way to balance the budget.

Councilor Chavez said he will speak to the option to consider reductions in salaries and furloughs. He said we've done this before, and probably will in the future unless things change, noting other agencies have done it. He saw this as another option not to pick on one or the other and to try to balance things a little so we're not only going after revenue, and are looking at the impacts. He said impacts will be felt across the community in the public and private sectors, and we're finally realizing that. He said it isn't easy to bring this forward, but we need to talk about all of the options which are before us, and the reason he is bringing this forward.

Councilor Bushee asked when this became a \$3 million shortfall.

Mayor Coss said this is from Robert's projections.

Councilor Bushee said it is \$3.7 million which is closer to \$4 million.

Mayor Coss said he didn't include what the Governor did on the hold harmless or the price of gas increasing. He said it will go up again, if they ding us on hold harmless again next year.

Councilor Romero said she won't be attending the meeting on April 28<sup>th</sup> because she will be working in Albuquerque, but she will agree to work on packaging some options.

Chair Ortiz said the next Finance Committee meeting will be on Thursday, April 28<sup>th</sup> at 9:00 a.m., which is the beginning of the budget process.

Chair Ortiz thanked everyone for attending, and AFSCME #3999 for its presentation, and we look forward to specific details on the work already done, commenting they did a good job.

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

- 26. 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 meetings of March 21, 2011 and April 4, 2011) . Committee Review: Finance Committee (postponed) 03/21/11; Finance Committee (Postponed) 04/04/11; City Council (request to publish) 04/27/11; and City Council (public hearing) 05/25/11. Fiscal Impact – Yes.

Please see Item #25 above.

**27. PROPOSED BUDGET OPTIONS (PROPERTY TAX OR ENTERPRISE FUNDS TRANSFER):**

- A. 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) Committee Review: Finance Committee (postponed) 04/04/11; City Council (Scheduled) 05/25/11. Fiscal Impact – Yes.

Please see Item 25 above.

- B. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-12.1 SFCC 1987, TO AUTHORIZE, ON AN ANNUAL BASIS, THE TRANSFER OF ENTERPRISE FUNDS TO THE GENERAL FUND, IN AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000) (COUNCILOR CALVERT, MAYOR COSS, COUNCILORS DOMINGUEZ, TRUJILLO AND ROMERO). (BRIAN SNYDER) Committee Review: Council (Request to Publish) 04/27/11; and Council (Public Hearing) 05/25/11. Fiscal Impact – No.

Please see Item 25 above.

- 28. 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.**

Please see Item 25 above.

## ACTION ITEMS

29. **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) (Postponed at Finance Committee meeting of April 4, 2011) Committee Review; Finance Committee (Postponed) 04/04/11; Council (scheduled) 04/13/11. Fiscal Impact – No.**

Robert Romero said this is a Resolution proposed by the Mayor and Councilor Romero.

- Chair Ortiz asked if this is to fund what we currently fund in healthcare in the City – turn those funds over to St. Vincent's Hospital so they can maximize providing services to indigent populations, and Mr. Romero said this is correct.

- Chair Ortiz asked how this will work.

Mr. Romero said the funding we now give to those sources would be provided by Christus St. Vincent, so it would be a wash for the programs.

- Chair Ortiz asked the dollar amount of those services annually.

Mr. Romero said it is \$2 million to \$2.5 million.

- Chair Ortiz asked if we have a list of providers and amounts.

Mr. Romero said he can provide a list of contracts we do every year.

- Councilor Dominguez said the FIR indicates there is no fiscal impact.

Mr. Romero said the Idea is that Christus St. Vincent would cover the costs we already cover, so there would be no additional cost to the City, other than the existing cost of those programs.

- Councilor Dominguez said then no agreement has been drafted, and this is just to give direction to staff to look at this and come up with agreement, and Mr. Romero said this is correct.

- Councilor Dominguez asked the risk in the City not doing this. His understanding is that the County has chosen not to fulfill its entire agreement with St. Vincent.

- Alex Valdez, Christus St. Vincent, said over the last two Committee meetings he has heard the financial challenges facing the City. He said the question is, "How do we sustain the level of service that we have, affecting as few people as policy, and balance our budget as wisely as we

can. And it is that same formula that Christus St. Vincent finds itself under at this point."

Mr. Valdez said, "This is what our proposal is. That the City of Santa Fe, the City Council, approve this Resolution that is before you tonight that will allow Christus St. Vincent and the City to work on a management agreement whereby the City of Santa Fe would continue to oversee all of the health and social service programs that you currently have. That Christus St. Vincent would enter into new contracts with your providers and that we pay those providers for services rendered to an indigent and a population that is need of indigent services that the City historically has paid to those providers. We would then hope that with the savings that result from that, and I say hope, because it is important to understand that we cannot enter into any contractual relationship over this. We would hope that as a result of the savings generated by the City, that the City and the County would be able to find a vehicle by which the City could transfer money to the County, and the County in turn would use that for leverage for sole community provider funding."

Mr. Valdez continued, "I want to make a few points clear for everyone. The first is that this proposal is budget neutral for the City. Speaking about the perfect storm, trying to go about trying to look for government support to fill a \$21 million budget gap at our hospital, I needed to think about a way it could be a budget neutral proposal for the City, that is what your FIR reflects. I have to make sure our proposal as legal. In order to do that, and because of the strict scrutiny that this program is under state-wide by the Centers for Medicaid and Medicare service, any documents that we are able to come up with and agree to, they will be presented to the Human Services Department who will then present them to CMS for CMS's approval. So, it is very important to understand that while this program is under scrutiny throughout the entire State, the Human Services Department today is saying wisely, we need to be sure we get CMS approval. I support that approval methodology so that we can give to all of you and to our community, the assurance that what we are doing is the same methodology that our CMS Region in Dallas has authorized in the State of Louisiana, in Texas. Our counsel that is advising us and working together with Mr. Zamora put that relationship together for the State of Texas. So I feel comfortable from a legal perspective that what we are bringing to you will be lawful in the first instance."

Mr. Valdez continued, "Second, we need to be able to work with your community providers, because my recent experience is that everyone has... everyone is working as hard as they possibly can to protect their own turf. And I can understand that desire to need to protect your own turf."

Responding to Councilor Dominguez, Acting Chair Wurzbarger asked him to let Mr. Valdez continue his presentation.

- Councilor Dominguez said he didn't ask for a presentation and he just asked what has changed that the County can't do this any more.

Mr. Valdez said the County has put up \$1.9 million toward match, where it used to put up more than \$10 million.

- Councilor Dominguez asked the reason.

Mr. Valdez said the County also is having budget problems. He said the County put up enough match to draw down federal funds to meet what they believe to be the segment of indigent care that we provide pursuant to the County's definition of indigent care, which is defined as a New Mexico citizen at 200% of poverty or below, which for a family of 4 is below \$18,000.

- Councilor Dominguez said perhaps he needs to ask City staff if there is a clear way to give us the information.

Mr. Romero said the contract list that we approve every year as a part of the budget will be the same list to whom Christus St. Vincent would be providing the same funding.

- Councilor Dominguez said, if approved, that part of our budget will have to be amended.

Mr. Romero said the budget for those services would go to the County to cover the match, and that would need to be done every year, and this year it is about \$2.5 million.

- Councilor Romero said Christus St. Vincent has to negotiate with the County every year, but it fluctuates depending on the County's budget.

Mr. Valdez said, "Over the course of the past two years, we have seen a reduction in base funding, but we have been able to manage through that pretty well. This coming year if what we have received from the County holds, and we are not able to secure additional funding, either from intergovernmental transfers from the City, or, and I'm having this same conversation with the State, we are looking at a \$21 million budget reduction. I think it's important to note that once we lose this source of federal funding, we cannot recover it. That means if you think about, over the course of the next 5 years, we will lose over \$100 million healthcare dollars which otherwise would be coming to our community. So, I'm not only thinking about this issue through a tint of glass of this year, I'm thinking about this issue in perpetuity, and we need to ask ourselves what we can do to keep from losing that kind of resource from our community. This last year, for the Mayor's report, Christus St. Vincent alone generated \$187 million into the community. We are a strong industry, we are a growth industry. We will continue to invest in ourselves, but when you think about a \$100 million loss over the next 5 years, I need to ask the City to assist us with this next year."

- Chair Ortiz assumes the same numbers were given to the County Commissioners who are statutorily charged with providing these moneys through their operation of the Indigent health care monies. He asked if that message is lost on the County, or if the County decided to take the money and use it for some other purpose. He asked why there has been a decrease in the amount of County funds available for the sole community provider hospital.

Mr. Valdez said the reduction in GRTs has affected the County, therefore there are less funds.

- Chair Ortiz said the County is dependent on the property tax, noting property taxes have increased.

Mr. Valdez said the Indigent Tax is collected with the GRTs and is not driven by property tax. The Indigent Fund is driven by GRTs, and they fund a number of programs from the GRTs, and also are concerned about potential job loss – very similar to the issues at the City.

- Chair Ortiz said then the City is being asked to bypass all of our direct funding to health care providers in the community, so that County Fe County can continue to provide health care services out of a fund that perhaps rightfully belongs to St. Vincent as the sole community provider hospital. He said they will continue to fund all of their programs from which they're draining the Indigent Health money, and we're being asked to strip away all of our authority and pass our money through to the County.

Mr. Valdez said he doesn't know the City financing in detail, "but they too have a projected deficit for this next fiscal year, and they too are going through similar conversations around how they're going to manage through their budget. They too are looking to having to dig into reserves to balance their budget. I don't want to carry their argument, but that is my working with the County. Christus St. Vincent, with a \$21 million deficit, is going to dig into its reserves and its accounts, and it is going to have to figure out how best to manage that, just as the City is going to do. We all find ourselves in the same position."

- Councilor Bushee said there are only 3 pages in the packet, mostly the Resolution, and there is no FIR, no list of vendors, no backup for the request. She has no information as to what this really means to the City, and our vendors. She said, "Mr. Valdez when you came before us, and I asked the Mayor pointedly with what money are we going to assist St. Vincent's, and I still don't understand this scheme. I heard most of your presentation and I understand the dilemma you are in, but I have no... give me a list. Does this mean the Villa Theresa clinic doesn't get funded. What does this mean. Why is there no information in the packet." She said these are rhetorical questions only, reiterating there isn't sufficient information.
- Councilor Dominguez said it sounds as if, if this moves forward and based on what the Chair said, some discretion will be given to St. Vincent as to how our money is spent. And Mr. Valdez is saying they will give it back to spend as we originally intended.

Mr. Valdez said no, they will be entering into new contracts, the City will manage the program, and they will enter into new contracts with vendors that have agreed to go forward with this relationship, and St. Vincent will pay the vendors directly and report quarterly to the City.

- Councilor Dominguez asked if all of this will be in the agreement.

Mr. Valdez said that will be articulated in the management agreement, if approved.

- Councilor Dominguez said the agreement isn't binding if we approve this. It just directs staff to start working on an agreement.
- Chair Ortiz said if we approve the Resolution, paragraph 2 of the Resolution provides we are terminating our agreement with our health care providers – "terminate existing vendors."
- Councilor Dominguez asked if it is binding.

Mr. Romero said if we enter into a management agreement, once signed by both parties, it would be binding. He said approval tonight tells staff to move forward to create an agreement.

- Chair Ortiz said once approved by the Council, the Resolution directs the City Manager to take these steps.
- Mayor Coss asked to what extent the problem is caused by the State's under-funding of Medicaid.

Mr. Valdez said, "The result of the State under-funding Medicaid. Well, it's not a question of under-funding, well, it may be, I guess. The State cut our reimbursement rates in November 2010 and again in April 2011, by about \$6.7 million for this fiscal year. In the previous year, there was a \$6-7 million hit in medicaid reimbursement rates from the State. We're taking reimbursement reductions from Lovelace. You recall those negotiations we had back in the Fall. That's going to equate to more than \$8 million over the course of the next four years, and we also will see Medicare reimbursement rates go down to the tune of about \$9 million a year, starting in 2013."

- Councilor Wurzbarger said Mr. Valdez made a statement which implied that the agreements already have been reached with the vendors.

Mr. Valdez said this isn't true.

- Councilor Wurzbarger said, "You did say something to that effect. And, for the record, I want it clear for all of us, for the situation here, that these vendors have not been notified that this is in process. Now, that is my clarification."

Councilor Wurzbarger continued, "This is very complicated, and we've all spent some time trying to understand it. The points that you made, with respect to no effect on our budget, that it is 'totally legal,' that this is a County pass through that the County will have to agree with. As far as we're concerned, as a Governing Body, there is no *quid pro quo*, this is a straight pass through. I want that on the record, and that's correct isn't it. [Mr. Valdez indicated it is correct]."

Councilor Wurzbarger continued, "Then, what I am concerned about is the issue of vendors and the issue of service. I have one question. Because it says you will terminate the agreements, if they don't agree that they will be part of this program, they'll be terminated. Are those, and it's on the basis of agreement, in the previous sentence it says essentially the same service. This is indigent service. Are there services which are provided by our vendors currently that would not

legally be considered indigent services. I haven't raised this question in our discussions. Can you answer that, or can staff answer that. And, as you're trying to answer that, I will say my understanding in discussing this option, is that the services that were being provided by the current vendors would be indigent."

- Councilor Wurzbarger asked Terrie Rodriguez if the vendors currently are providing indigent services, and "we aren't going to be surprised in a month or so, and we'll have half the audience filled up with our current vendors who are no longer qualified to receive the money we've been giving them in the past."

Terrie Rodriguez, Director, Youth and Family Services Division, Community Services Department, said the contracts with current contractors providers says, for the City funding, they must serve 51% of persons below standard income. However, they can provide services to individuals above that income level with the balance of those.

- Councilor Romero said, "The way we're describing how it's going to work, is there is no vendor list in here we agreed earlier would be provided, but when it goes to Council, I think we agreed that list would be provided. But certainly, I just want to be clear that those vendors that have been providing services will be part of this transition as we're looking at it, would go to the County. It's a circular way of looking at the disbursement. I think, just to be clear that it's working, to outline that process would be important."

Mr. Zamora said, "Under this type of setup as proposed in this Resolution, under this proposal, to reiterate what Councilor Wurzbarger said, there can't be *quid pro quo*, and there must be arm's length agreements. The existing contracts with vendors between the City and those vendors will need to terminate, and Christus St. Vincent will need to independently enter into contracts with those vendors or similar vendors to provide substantially the same services."

**MOTION:** Councilor Bushee moved, seconded by Councilor Dominguez, to postpone this item to the next meeting of the Finance Committee.

**DISCUSSION:** Councilor Bushee asked why there is no list of vendors and the reason we will see this only at the Council meeting, why is there no FIR.

Chair Ortiz said there is an FIR in the packet.

Councilor Bushee said it doesn't say anything.

Chair Ortiz said this is correct. He asked if this issue is time sensitive.

Mr. Valdez said the State is giving them time to get this resolved, and since the budget is due by June 1<sup>st</sup> he believes this needs to be resolved by that date.



Councilor Bushee said there has been no notice to the vendors, and with one Resolution we upend a 20 year relationship with the Human Services Commission of the City.

**WITHDRAWAL OF SECOND:** Councilor Dominguez withdrew his second to the motion. He needs to spend time with staff to understand this. He isn't prepared to vote at this time, and if he has to vote now he will vote against it.

**NEW SECOND TO MOTION TO POSTPONE:** Chair Ortiz seconded the motion to postpone.

Chair Ortiz said this would postpone this item to the Finance Committee meeting of May 2, 2011, and could potentially go to the Council on May 11, 2011. He asked Mr. Valdez if this would work for him.

Mr. Valdez said he believes this will be okay. He said counsel for State Human Services General, said he will continue to work with him. He said so much of this work would take place after adoption of the Resolution, working with the City to contact and meet the vendors, and explain how the process will flow.

Chair Ortiz explained the City is in a situation where the vendors have many years of experience with the City. He said the City generally doesn't approach someone *fait accompli*, and say this is what is going to be done. He said, without getting into what he considers to be County Commission negligence in funding the Indigent Fund, you can see the conundrum in which we find ourselves, and Mr. Valdez said yes, commenting the contract will be similar to the one St. Vincent has with the City for paratransit. He said he is happy to work with the City staff, explain the relationship and that there is support.

**FRIENDLY AMENDMENT:** Councilor Wurzbarger would like to give direction to staff that we get the list by the next meeting of the Committee, and that the staff get some indication from the County in writing that they are willing to do a clear and free, clear pass-through, and if there is any kind of general reaction from the vendors, that the Committee be advised. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

**FRIENDLY AMENDMENT** Councilor Dominguez would like to give direction to staff to provide a Memorandum to the Committee outlining the proposal and with more details on the fiscal impact, and that there is no fiscal impact to the City. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.'**

Councilor Romero said she understands some of these discussions have been happening over the past few weeks, so she is surprised that the list of vendors isn't in the packet, and asked happened to that list. She said it seems that some of the vendors know about this situation. She said the vendors won't be impacted in terms of the dollar amounts and the vendors providing this service. She asked if any of the vendors know about this situation.

Mr. Romero and Ms. Rodriguez said they haven't spoken with any of the vendors.

Chair Ortiz directed staff to work with Mr. Valdez to ensure that he gets the necessary extension of time while we figure out a community solution to the problem.

Chair Ortiz said, despite his differences of opinion with St. Vincent's management philosophy, it is a large employer and we can't afford to have them at risk for the amount of money they're facing. We need to work in a community-friendly way to the extent possible to come up with a community solution to the problem..

Councilor Bushee said we need to work with them, saying she doesn't want them to lose federal dollars for indigents. However, she wants the vendors to be notified, and she wants a list of vendors. She wants plenty of time to explain this to the vendors and that neither they nor the services provided are in jeopardy.

Mr. Valdez said he appreciates the direction to staff and he will work with them.

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

**30. SANTA FE HOMES PROGRAM (COUNCILORS WURZBURGER, ORTIZ, TRUJILLO AND DOMINGUEZ). (MELISA DAILEY)**

**A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-8.11(F) SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (SFHP); AND AMENDING SECTION 26-1.15 SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE OF THE REQUIRED NUMBER OF FOR SALE SFHP HOMES IN A DEVELOPMENT.**

**B. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE ADMINISTRATIVE PROCEDURES FOR THE SANTA FE HOMES PROGRAM (SFHP) TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM.**

**Committee Review: Council (request to publish) 04/27/11; Planning Commission (Scheduled) 05/05/11; and Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**

Councilor Wurzburger would like to move the Ordinance and Resolution forward to Council in an expedited way, noting this is to try to get the housing industry to move forward again. She said 30% of zero is zero.

Councilor Romero said this is for a Request to Publish, and she looks forward to the debate on the impact.

Chair Ortiz noted this item should have been on consent, and apologizes that it is on the Discussion Agenda.

**MOTION:** Councilor Wurzburger moved, seconded by Councilor Dominguez, to approve this request and move it forward to Council in an expedited way.

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

**31. REQUEST FOR APPROVAL OF OFFICE SPACE LEASE AGREEMENT – 500 MARKET STREET, SUITE 200 AT THE RAILYARD; RAILYARD COMPANY, LLC. (ROBERT ROMERO AND GENO ZAMORA)**

Chair Ortiz said this issue was discussed in executive session, with direction given to staff by two members of the Governing Body, and asked Mr. Romero if he carried out that direction.

Mr. Romero said a brief Memo was prepared. He said staff was asked to see if there was a willingness to reduce rent at the Federal Building, which was done. He said we were asked to see if there is an escalation clause in the Lease Agreement, and there is an escalation clause in the 6<sup>th</sup> year. He said the lessor said those are to cover the expected increases in cost for utilities and taxes, and because it is a full service lease, the cost of janitorial and other services. He said the other issues discussed will be part of a settlement agreement which will be discussed in executive session.

Councilor Bushee said she is concerned that this is separated from the other settlement issues. She asked when we bring into account the other requested waiving of taxes, fees and such. She said then you want us to do this separate and apart.

Chair Ortiz asked if we will have the settlement agreement at the same time this is heard at City Council on April 27, 2011, and Mr. Romero said that is correct.

Councilor Bushee asked what will be considered in Executive Session.

Chair Ortiz said the settlement agreement will be discussed in Executive Session.

Councilor Bushee said then all of the items raised in the Executive Session will just fall under a settlement agreement.

Mr. Romero said yes, and understands we will be discussing those in Executive Session in negotiation of the settlement agreement.

Councilor Bushee asked the reason the City would agree to a 10% escalator clause at this point, with a 15 year lease, with renewals every 5 years.

Mr. Romero said this is the lessor's proposal, noting the increase will be in the 6<sup>th</sup> and 11<sup>th</sup> years of the term of the lease.

Councilor Bushee asked the reason we wouldn't negotiate this at that point.

Mr. Romero said this is the Lessor's proposal, noting the Council requested that there not be an escalation clause, but this is their proposal, and they are here to speak to it if you wish.

Councilor Bushee reiterated her concern that we are separating this from the settlement agreement to something "I have a real legal concern over."

Mr. Romero understands from the lessor that the 2% is to cover increases that will happen because it is a full service lease.

Councilor Bushee said the feds have not imposed this on the City to now in the existing lease agreement.

Mr. Romero said there are two different types, and it is calculated at 2% per year for five years, so there is a 10% escalation.

Councilor Bushee said then there is an annual 2% .

Mr. Romero said it is not annual, but on the 6<sup>th</sup> year, the lease will go up 10% total.

Councilor Bushee asked how long the City has been renting at the Federal Building, and Mr. Romero said since the 1980's.

Councilor Bushee asked if staff has tracked the increase percentage.

Mr. Romero said the terms usually weren't this long and we had to renegotiate, believes we have the same kind of terms, noting the leases with the Feds usually weren't 15 year leases, but he doesn't have the actual information available. He said he would guess the price has increased over the 15 years we have been leasing from the Feds.

Councilor Bushee said she did not expect an escalation clause and hopes staff will renegotiate it differently, and after the 5 years, we'd sit down and talk about it. She said she wouldn't built it in, and she won't support this request at this point.

**MOTION:** Councilor Romero moved, seconded by Councilor Wurzbarger, to approve this request, and move this item forward to the City Council and Public Works Committee.

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

**32. REQUEST FOR APPROVAL OF CONSIDERATION TO FILL VACANT POSITIONS. (ROBERT ROMERO)**

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

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

**33. OTHER FINANCIAL INFORMATION:**

**A. UPDATE ON GROSS RECEIPTS TAX REPORT RECEIVED IN APRIL 2011 (FOR FEBRUARY 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN MARCH 2011 (FOR JANUARY 2011 ACTIVITY). (KATHRYN RAVELING)**

There were no questions or comments from the Committee.

**B. CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS ON STATUS OF FISCAL YEAR 2010/2011 BUDGET. (KATHRYN RAVELING AND ROBERT ROMERO)**

Councilor Bushee said there was a longer list of salary pay adjustments.

Mr. Romero said this is correct, and at the previous meeting the Committee asked for the percentages on the short list, but he can provide that information on April 28<sup>th</sup>.

Councilor Bushee asked about the person who got a 33% increase.

Mr. Romero said that was a policeman who had an accounting degree, who formerly worked at the City and came in at a lower level, but was later hired for a much higher level position. It was a significant increase, but the person is qualified, and is being paid less than the previous employee in this position.

Councilor Bushee asked if he feels justified in going over 10% for any of the other increase.

Mr. Romero said for any increase given, he looks at the budgeted amount previously, and at others doing the same job are earning. He makes sure that the position is sustainable and won't cost more in the future, and that the salary is appropriate based on salaries of other employees at the same level.

Councilor Bushee asked Mr. Romero if he is limited in the amount he can increase annually.

Mr. Romero said he is not limited for non-union, but needs union approval if the increase is above a certain percent.

Councilor Dominguez said he keeps getting calls and emails from people who are concerned about raises, and Councilor Bushee is the only one who has brought them up. He said he really doesn't know what it is that Councilor Bushee is trying to get to.

Councilor Bushee said she is trying to understand how and why raises are given, and believes "it's something we should be concerned about, given that we're talking cuts and other thing."

Councilor Dominguez said, "Why don't we look at the whole thing, and at the employees who haven't gotten raises, haven't gotten pay cuts, but have fewer job duties. Do we have a list of those employees."

Chair Ortiz said we have a list of employees who haven't received a pay increase, noting that was handed out at the last meeting.

Mr. Romero said he will look at this, and evaluate that, and try to get the information to the Committee.

Councilor Dominguez said he wants to understand this as best he can.

### **34 MATTERS FROM THE COMMITTEE**

Chair Ortiz said the first budget meeting will be on Thursday, April 28 at 9:00 p.m., and the following meetings will happen at the regular Finance Committee meetings. He said we will meet at 4:00 p.m. on May 2 and 16, 2011, and start the budget process at 5:00 p.m. He said if we don't finish our work at that time, he will hold a catch-all hearing on May 27, 2011.

Councilor Romero reiterated she can't attend the budget meeting on April 28, 2011, because of a previous work commitment.

### **35. ADJOURNMENT**

There was no further business to come before the Committee, and the meeting was adjourned at approximately 9:00 pm.

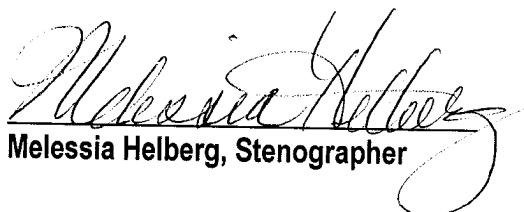
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**Matthew E. Ortiz, Chair**

**Reviewed by:**

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



**Melessia Helberg, Stenographer**