



Agenda

CITY CLERK'S OFFICE

DATE 4-25-11 TIME 4:20pm

SERVED BY Yolanda Green

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**AMENDED
SPECIAL
FINANCE COMMITTEE STUDY SESSION
FISCAL YEAR 2011/2012 OPERATING BUDGET REVIEW
CITY COUNCIL CHAMBERS
THURSDAY, APRIL 28, 2011
9:00 AM – 5:00 PM**

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

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. INTRODUCTION AND OVERVIEW OF FISCAL YEAR 2011/2012 OPERATING BUDGET REVIEW (ROBERT ROMERO)
5. FISCAL YEAR 2011/2012 BUDGET GAP (ROBERT ROMERO)
6. 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)

Committee Review:

Finance Committee (Postponed)	03/21/11
Finance Committee (Postponed)	04/04/11
Finance Committee (Postponed)	04/18/11
City Council (Request to publish)	04/27/11
City Council (Public hearing)	05/25/11

Fiscal Impact - Yes

7. 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)



Agenda

Committee Review

Finance Committee (Postponed)	03/21/11
Finance Committee (Postponed)	04/04/11
Finance Committee (Postponed)	04/18/11
City Council (Request to Publish)	04/27/11
City Council (Public Hearing)	05/25/11

Fiscal Impact – Yes

8. 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)	04/18/11
Finance Committee (Postponed)	04/04/11
Finance Committee (Postponed)	04/18/11
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

Finance Committee (Postponed)	04/18/11
Council (Request to Publish)	04/27/11
Council (Public Hearing)	05/25/11

Fiscal Impact – No



Agenda

Special Finance Committee
Study Session
April 28, 2011

9. 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

Finance Committee (Postponed)	04/04/11
Finance Committee (Postponed)	04/18/11
City Council (Scheduled)	04/13/11

Fiscal Impact - Yes

10. DEPARTMENT REVIEWS:

PUBLIC UTILITIES

Water
Waste Water
Solid Waste

PUBLIC WORKS

Facilities
Parks
Recreation
Traffic
Roadway and Trails
Streets Maintenance

COMMUNITY SERVICES

Libraries
Seniors
Youth Commission
Youth and Families

HOUSING AND COMMUNITY DEVELOPMENT

Economic Development
Affordable Housing
Long Range Planning

LAND USE



Agenda

Special Finance Committee
Study Session
April 28, 2011

TRANSPORTATION

- Airport
- Transit
- Parking

GENERAL GOVERNMENT

- City Council
- City Attorney
- City Clerk
- City Manager
 - Risk Management
 - Constituent Services
 - Internal Auditor
- Human Resources
- Municipal Court

CONVENTION AND VISITORS BUREAU

FINANCE

FIRE DEPARTMENT

POLICE DEPARTMENT

11. WRAP-UP
12. PUBLIC COMMENTS
13. ADJOURNMENT

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



Agenda

SERIALIZED BY *[Signature]*
RECEIVED BY Tina Y. Dominguez

**SPECIAL
FINANCE COMMITTEE STUDY SESSION
FISCAL YEAR 2011/2012 OPERATING BUDGET REVIEW
CITY COUNCIL CHAMBERS
THURSDAY, APRIL 28, 2011
9:00 AM – 5:00 PM**

**ALL MEMBERS OF THE GOVERNING BODY ARE INVITED TO ATTEND
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1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. INTRODUCTION AND OVERVIEW OF FISCAL YEAR 2011/2012
OPERATING BUDGET REVIEW
5. DEPARTMENT REVIEWS:

POLICE DEPARTMENT

FIRE DEPARTMENT

LAND USE DEPARTMENT

HOUSING AND COMMUNITY DEVELOPMENT

GENERAL GOVERNMENT

HUMAN RESOURCES

FINANCE

MUNICIPAL COURT

COMMUNITY SERVICES/PUBLIC WORKS



Agenda

PUBLIC UTILITIES

GENERAL SERVICES DEPARTMENT

LIBRARY

SENIORS

YOUTH COMMISSION

YOUTH AND FAMILY

ENGINEERING

FACILITIES

PARKS

RECREATION

6. WRAP-UP
7. PUBLIC COMMENTS
8. ADJOURNMENT

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SUMMARY OF ACTION
SPECIAL FINANCE STUDY SESSION
FISCAL YEAR 2011/2012 OPERATING BUDGET REVIEW
Thursday, April 28, 2011

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	2
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FISCAL YEAR 2011/2012 BUDGET GAP	Information/Discussion	10-23
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-2.1 SFCC 1987 AND CREATING A NEW SECTION 11-2-6 SFCC 1987, LIMITING GENERAL FUND PERSONNEL COSTS	No action	23
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	23
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	23-24
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	23-24

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
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	24-26
<u>DEPARTMENT REVIEWS:</u>		
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Water	Discussion/direction	27-28
Wastewater	Discussion/direction	28
Solid Waste	Discussion/direction	28-35
PUBLIC WORKS		35-36
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Recreation	Discussion/direction	37-38
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Libraries	Discussion/direction	39-40
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HOUSING AND COMMUNITY DEVELOPMENT		44-45
Economic Development	Discussion/direction	45
Affordable Housing	Discussion/direction	45
Long Range Planning	Discussion/direction	46
LAND USE	Discussion/direction	47-52
TRANSPORTATION		
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Parking	Discussion/direction	54-59

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
GENERAL GOVERNMENT		
City Council	Discussion/direction	59-60
City Attorney	Discussion/direction	60-61
City Clerk	Discussion	61
City Manager	Discussion	61
Risk Management		61
Constituent Services		61
Internal Auditor		61
CONVENTION AND VISITORS BUREAU	Discussion/direction	61-69
FINANCE DEPARTMENT	Discussion/direction	69-72
FIRE DEPARTMENT	Discussion/direction	72-76
POLICE DEPARTMENT	Discussion/direction	77-84
WRAP-UP		84
PUBLIC COMMENT	None	84
ADJOURN		84

**MINUTES OF THE
CITY OF SANTA FE
SPECIAL FINANCE STUDY SESSION
FISCAL YEAR 2011/2012 OPERATING BUDGET REVIEW
Thursday, April 28, 2011**

1. CALL TO ORDER

A special study session of the City of Santa Fe Finance Committee was called to order by Chair Matthew E. Ortiz, at approximately 9:00 a.m., on Thursday, April 28, 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 Rebecca Wurzbarger

MEMBERS EXCUSED:

Councilor Rosemary Romero

OTHER GOVERNING BODY MEMBERS PRESENT:

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

OTHERS ATTENDING:

Kathryn Raveling, Finance Director
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

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

A copy of "*City of Santa Fe FY2011/12 Budget – Finance Committee Review*, is incorporated herewith to these minutes by reference, and copies can be obtained in the City of Santa Fe Finance Department.

3. APPROVAL OF AGENDA

Chair Ortiz said the first part of the presentation will be on the general, or the macro items of the budget, and then we will do the general department review. He asked Mr. Romero and Ms. Raveling if there is a time they want to start the department reviews.

Mr. Romero said there is an item on the gap after his initial presentation, which will take about an hour, and after that we can start with the department reviews.

Chair Ortiz advised City staff who are here for the department reviews that they won't be heard before 10:30 to 11:00 a.m., and then, depending on the Committee's wishes we will break for lunch.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Chavez, to approve the agenda, as presented.

VOTE: The motion was approved on a voice vote, with Councilor Bushee absent for the vote.

4. INTRODUCTION AND OVERVIEW OF FISCAL YEAR 2011/2012 OPERATING BUDGET REVIEW (ROBERT ROMERO)

A copy of *City Comparisons Santa vs. Farmington, Las Cruces and Rio Rancho*, is incorporated herewith to these minutes as Exhibit "1."

A copy of *Departmental Resources – FY 2010/11 Original Budget dated April 26, 2011*, a one page summary, is incorporated herewith to these minutes as Exhibit "2."

A copy of *Gross Receipts Tax* dated April 26, 2011, is incorporated herewith to these minutes as Exhibit "3."

A copy of *City of Santa Fe Summary of Key Funds Revenues, Expenses, Transfers In and Out and Cash Balances*, is incorporated herewith to these minutes as Exhibit "4."

A copy of *City of Santa Fe Vacant Positions by Department*, is incorporated herewith to these minutes as Exhibit "5."

A copy of *City of Santa Fe Non Funded [positions] by Department*, is incorporated herewith to these minutes as Exhibit "6"

A copy of *City of Santa Fe Non Funded by Department*, with total salary included, is incorporated herewith to these minutes as Exhibit "7."

A packet of draft organizational charts distributed to the Committee is incorporated herewith to

these minutes as Exhibit "8."

Robert Romero reviewed the information in Exhibit "1." Please see Exhibit "1" for specifics of this presentation. Mr. Romero said Albuquerque is so much larger than Santa Fe, he didn't feel that comparison was worthwhile.

Robert Romero reviewed the information in Exhibit "2." Please see Exhibit "2" for specifics of this presentation.

Robert Romero reviewed the information in Exhibit "3." Please see Exhibit "3" for specifics of this presentation.

Kathryn Raveling reviewed the information in Exhibit "4." Please see Exhibit "4" for specifics of this presentation.

Ms. Raveling said both the Fire Property Tax/Safety 2251 and Police Property Tax/Safety 2252 are carrying large cash balances and have recurring revenue streams, and staff is proposing to use some of these cash balances for Police and Fire.

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Responding to the Chair, Mr. Romero said \$600,000 was identified in Police if the GRTs come in lower than anticipated, noting the GRTs are up \$400,000-\$500,000 over budget, and part of the Fire and Police Property Tax cash balances will be used if GRTs don't come in at the appropriate levels for this year.

- Councilor Dominguez asked the difference so far.

Mr. Romero said \$500,000 was needed to cover the furloughs, and right now we are about \$400,000 above what was budgeted, but we won't know until July 1, 2011 whether it does or doesn't hold.

- Responding to the Chair, Mr. Romero said the Stormwater Fees were increased, but the additional \$2.00 is being used to pay for workers in Parks and Streets so those positions didn't have to be paid from the General Fund.

Ms. Raveling said staff have been moved into Stormwater and it covers that staff.

Ms. Raveling said the ½% CIP GRT has a cash balance, but about \$1 million will be used for the proposed budget.

- Chair Ortiz asked regarding the ½%, how much is scheduled to be used.

Mr. Romero said if the approximately \$4.5 million of cut reductions and revenues are proved, then \$1.5 million would be used to supplement this fund and we would use that to cover the costs of the Southside Library, the debt service at the MRC, and to cover expenses at the GCCC.

Ms. Raveling clarified that these funds do not include the gap, and this is a snapshot of where we are right now.

Ms. Raveling noted the Water Operating Fund has shown a decrease in cash, but they do still have some cash balances.

- Chair Ortiz said there is a proposal in the Water Operating Fund to change the transfers in and out from \$8 million to \$12.5 million, and asked if this is the amount proposed to be transferred out of enterprise funds to support the General Fund.

Mr. Romero said he thinks the Chair is talking about Wastewater.

- Chair Ortiz said he is speaking of Budget page 22, and Mr. Romero said this is Water, and Chair Ortiz said, "I know." Chair Ortiz said he wants an explanation of the reason that number jumps from \$7,998,612 to \$12,579,798 where it says Transfers In and Out.
- Mayor Coss asked if that is the Buckman Direct Diversion [BDD].

Ms. Raveling said it does not include the BDD and it represents transfers out to different projects.

Ms. Raveling said there needs to be an adjustment in Risk and Safety to cover the apparent cash deficit of \$480,000, and that adjustment will be made from Insurance Claims, noting the balance in insurance claims is \$5 million.

Ms. Raveling said, in summary, most of our funds have been relatively stable

- Chair Ortiz said the funds cash balances shown are as of June 1, 2010, and said we are 3/4 through the current fiscal year. He said then you are saying, with the exception of some of the notations, those are the cash balances that are carried forward for the past 8-9 months.

Ms. Raveling said the cash going across is on an annual basis, and the proposed budget in the General Fund for example, is short about \$3.6 million and that is where our gap is occurring.

- Councilor Wurzbarger would like a clarification of the rationale for the cash balances in different categories, for example in the Library, how was it determined this is the amount of cash balance

needed and how is it to be used. She noted they do vary, and the one Ms. Raveling said was steady, ranged from \$150,000 to \$300,000, which to her isn't steady. She understands how the balances in Water were suggested, which are based on capital improvements. However, there are other areas which are not capital improvements. She asked how those cash balances are projected and what is the staff recommendation for what that cash balance could be. Or, is the idea just to keep it steady.

Ms. Raveling said it is different for every fund. She said the only fund which is absolutely required to carry a cash balance is the General Fund, which is required by the State, and it is 10% of the expenditures on an annual basis. She said the rest of the cash balances are maintained based on the nature of the fund, for example, Wastewater needs to carry a higher cash balance .

- Councilor Wurzbarger understands, but she is speaking of the cash balances not related to Wastewater, which has to be millions of dollars.

Mr. Romero said he can summarize that on one sheet and work to determine the appropriate cash balance for each fund, and provide that to the Committee.

- Councilor Wurzbarger said, for example those services that draw from the General Fund, we always have the problem with the operations of the Golf Course and the libraries, and yet we're carrying cash balances as high as \$500,000, and asked the rationale for those cash balances.

Mr. Romero said once we dip into those, it is a one time use, but he will look at those.

Ms. Raveling believes it needs to be a more formalized process, because we've accumulated cash balances and "it is what it is." She would like to make it more formal – what our goal is.

- Councilor Wurzbarger said we have been struggling with this every year, and "every time we turn around, we appear to have more money," which I think is very confusing to the public, so in this process, let's clarify that.

Ms. Raveling said these are just some of the key funds, noting there probably are 250 funds which we maintain, most of which are much smaller than these.

- Councilor Chavez said we are discussing using the cash balances in the Wastewater Fund to balance the budget, and asked the impact to the fund in the future.

Councilor Chavez would like a list of projects proposed in the Wastewater Division, a list of priorities and sequence along with the dollar amount. He said the maintenance on such a facility will never go away. He said we may think we have the reserves now, but once the projects come on line we need to be sure we are ready. He said if we are looking to create jobs, we have a pool of money and a short list of projects would be nice to get some of those projects moving forward. He said whether or not we use these funds to balance the budget is a separate discussion to him.

- Councilor Wurzbarger noted she and Brian Snyder participated in a conference call with Jason Mumm who has prepared a memorandum which will be going to PUC, and she will provide a copy of that. She said Mr. Mumm has a detailed explanation of how this happened, a projection of the capital projects, and how much money "truly would be left, as well as a consideration of whether we can refund the next 3 increases." She said she is preparing an Ordinance amendment as the result of that discussion. She said she is waiting for something from Mr. Snyder which summarizes where we are right now with respect to projects.

Robert Romero presented the information in Exhibits "5," "6," and "7."

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Chair Ortiz said then the difference between the two documents is that one of them is not funded, which means these are positions which can be eliminated and vacant positions or positions that are proposed to be funded but not filled.

Mr. Romero said the ones which are not funded have been eliminated or we are proposing to eliminate them. It is proposed to continue to fund the vacant positions.

- Chair Ortiz said his understanding is that the Non-Funded Positions can be eliminated.

Mr. Romero explained that the Non-Funded Positions either have been eliminated or will be eliminated in the next fiscal year. He said this is a list of everything which has been eliminated for the past 2-3 years, for example the Deputy City Manager, the PIO, etc. This is a complete list of every position which has not been funded or was eliminated in the past, and he is proposing to not fund these positions in the next fiscal year. He said Mr. Pino is handing out a list of Non-Funded Positions with a value for the position including the benefits [Exhibit "7"].

- Mr. Romero said when we discuss the budget gap, he can explain in more detail which positions in what division and department we are proposing to eliminate in the next fiscal year, noting these positions are included on the list.
- Councilor Chavez said he would have liked for these positions to be highlighted, and Mr. Romero said he can do this.
- Chair Ortiz said, in terms of follow-up on the list which he gave to the Committee [Exhibit "7"], he would to amend the sheet to include the fiscal year in which the position was eliminated, and whether the position is bargaining unit or non-bargaining unit position.

Mr. Romero reviewed the draft organizational charts, Exhibit "8." Please see Exhibit "8" for specifics of this presentation. Mr. Romero said the proposed organization charts were drafted with the assistance of Denise Vigil, noting Councilor Dominguez did the initial run at these organization charts.

Mr. Romero noted the positions in red are positions which either have been eliminated or not-funded over the past few years and are consistent with the previous list. He said the positions in yellow are vacant but will be filled at some point.

Mr. Romero noted the Streets Maintenance personnel have been decimated, and at some point he would like to build that staff again.

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Councilor Calvert said, to summarize, the second list of vacant positions is by department and is a summary of all the yellows on the charts and Mr. Romero said this is correct.
- Chair Ortiz said then red equals a position on the first list, eliminated positions and yellow equals a vacant position on the second list. Mr. Romero said this is correct.
- Councilor Dominguez asked, with regard to the Crossing Guards, if the list also includes the supervisors, and Mr. Romero said the supervisors are temps as well.
- Councilor Dominguez said then these costs are shared with the schools.

Mr. Romero said this is correct, and the only one paid by the City is the Traffic Tech Supervisor.

- Councilor Calvert said there is a vacant position for Stormwater Manager, which Mr. Romero wants to fill.

Mr. Romero said he has his eye on this one, and they are looking at a way to do this more effectively, and perhaps assign that to someone else, noting there are federal mandates. He said although the position is vacant, the person will be on the books until the end of this fiscal year, and there are potential savings after that time.

- Councilor Trujillo asked, regarding Streets, why there is a grading supervisor, a concrete supervisor and a sweeping supervisor.

Mr. Romero said these are union members and they are working supervisors.

- Councilor Trujillo asked how much grading we do, for example, in the City.

Mr. Romero said we grade the roads on the entire east side, noting the City is responsible for the curbs, and we have lots of concrete work, commenting that these guys do a great job. He said these are the same workers who do snow removal.

- Responding to Councilor Calvert, Mr. Romero said there is a separate budget for the BDD, but its employees are part of our organization – the City hires them and they work for the City.
- Councilor Chavez asked, regarding Parking, how we are doing on collecting the debt – receivables.

Mr. Romero said we are working very hard with the Judge on this, noting he saw a car which had been booted, so we are being aggressive about collecting the debt. He said they will be bringing a proposed amnesty program to the Governing Body so we can collect at least part of what is owed, which he estimates to be in the millions. He said we know what is owed and Mr. Gurule is taking steps to assure people are paying parking fees, leased spaces and such, noting he is doing a great job in trying to clean all of this up.

- Councilor Dominguez asked if the positions in red in the Fire Department are reflected in the spreadsheet that Mr. Romero provided.

Mr. Romero said they weren't reflected in the previous spreadsheet, but they are reflected in the current spreadsheet.

- Councilor Chavez said, with regard to Land Use, the Division Director for Historic Preservation Director is labeled in red, non-funded.

Mr. Romero said this position has been eliminated. Mr. Romero said non-funded and eliminated are the same thing, and the only way these positions will be filled is after he comes back to the Council and requests permission to fund and fill these positions.

- Councilor Chavez asked if staff is doing this job now.

Mr. Romero said the Department Director is now the Division Director – he has taken on this role – Matthew O'Reilly would be the Historic Preservation Division Director. He said current staff is handling the case load, noting there is a vacancy and staff is very thin right now, and he is trying to fill that position as quickly as possible.

- Councilor Chavez said Solid Waste has a little bit of value added component in the product we are producing such as mulch and bark which is provided to the public.
- Chair Ortiz said that is SWMA.

Ms. Wheeler said the SWMA does create mulch from the green waste it grinds.

- Councilor Chavez said then that is generated by the residents in our program, and Ms. Wheeler said it comes from any material which is dropped off by anyone.
- Councilor Chavez said then SWMA is able to provide a usable product for free.

Ms. Wheeler said it is free for residential-type loads they load themselves, but if someone is buying it on a commercial level there is a fee. She doesn't know that fee and would have to look it up.

- Councilor Chavez said where there is a value added component and we have a product to which we can assign a value, it will generate revenue to help us out of the current situation, and the more of that we can do, the better. He doesn't know where we are in the market in terms of fees and would like to revisit that in the future.

Ms. Wheeler said she will talk to Randall Kippenbrock at SWMA, noting that marketing has made it possible for the Buckman Road Transfer and Recycling [BuRRT] to provide tipping for many materials at a discounted rate or at zero because the market for the product ends up covering the cost of operations, so they do that to a large extent at that facility.

- Councilor Chavez asked if we have that information on our webpage, and Ms. Wheeler said yes.
- Councilor Dominguez asked if the people Mr. Romero identified as acting managers or directors, are being paid at their original salary.

Mr. Romero said if the person is in an acting capacity they are being paid as a department director, but to be clear we are saving 80-85% of the salary.

- Councilor Dominguez asked if this would be reflected in the document Mr. Romero is going to provide with regard to union and non-union, and Mr. Romero said he can amend the spreadsheet to do this.
- Councilor Dominguez said then many of the non-funded positions which have been eliminated are management positions.

Mr. Romero said he would guess that is where the majority of the savings are, but he wants to make calculations and verify this.

- Councilor Dominguez said he doesn't need to do this in the organizational chart, but when he produces a new list it will identify that and Mr. Romero said yes.

Councilor Bushee arrived at the meeting

5. FISCAL YEAR 2011/2012 BUDGET GAP. (ROBERT ROMERO)

A copy of *2011/2012 Budget Gap* dated April 13, 2011, is incorporated herewith to these minutes as Exhibit "9."

A Memorandum dated April 27, 2011, to Councilor Wurzbarger, from Jason Mumm, StepWise Utility Advisors, regarding *Summary of Wastewater Fund Issues*, is incorporated herewith to these minutes as Exhibit "10."

A Memorandum dated April 27, 2011, to the Santa Fe Public Utilities Committee, from Jason Mumm, StepWise Utility Advisors, regarding *Options for Adjusting Wastewater Utility Rates*, is incorporated herewith to these minutes as Exhibit "11."

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Chair Ortiz said one of the things he requested at the previous meeting, in light of the presentation by AFSCME Local #3999 for specific savings, was to have them meet with Mr. Romero and Staff to have their items quantified and put on the budget gap sheet, and asked the status of that effort.

Mr. Romero said he was never given that information – the "green" sheets from AFSCME.

- Chair Ortiz said we all received a packet of information our boxes, and asked if Mr. Romero received that information, and Mr. Romero said, "Not that I'm aware."
- Chair Ortiz gave his packet to Mr. Romero and asked him, before the meeting on Monday, to meet with the union to be sure that these numbers can be verified and quantified and placed in this budget gap material.
- Chair Ortiz asked if there are changes in the budget gap information from what they've seen [Exhibit "9"]

Mr. Romero said the only change is that they have taken credit for the Fire Battalion Chiefs that are going to be funded next year, in the amount of \$250,000. Other than that, everything is the same as the last time.

- Councilor Bushee asked if the gap is \$5 million.

Mr. Romero said the gap is \$3.6 million.

Mr. Romero said some other contract and expense reductions need to be made to get to \$3.9 million, and there is \$1 million in increased fees that are identified that either are approved by the Council or going through the process to be approved by the Council, which is how we reach the \$5 million to close the \$8.7 million gap, noting we started with a \$7.7 million gap. He said it is larger

because of the gasoline price increases, next year they expect that to be \$300,000, Campaign Financing is expected to cost about \$300,000 and the hold harmless administrative fee just passed by the State is \$400,000 which is \$1 million, so this is the reason it is now \$8.7 million instead of \$7.7 million.

- Councilor Wurzbarger said she would like to put in the record that the \$600,000, in terms of the reductions, will have to be negotiated.

Mr. Romero said this is correct, noting this is a good point.

- Councilor Wurzbarger said she just wanted to say for the record that this is possible, although many are actual, and the City has control over doing those, and they can be done, and Mr. Romero said this is true.
- Chair Ortiz said the first two items have to be negotiated, noting Mr. Romero is saying we can save \$1 million if we negotiate leave reductions, or implement the leave reductions.

Mr. Romero said that isn't actual cash. He said we have discussed previously that the leave reductions have a value of \$1 million, but we can't take credit for that in the budget, because we still pay people for their 40 hours a week, whether they are here or not. He said we will get \$1 million in production which help us to be more sustainable in the future. So, if they are going to be out, they will have to use another type of leave. He said he didn't recommend using the \$1 million, because we couldn't account for that in the gap.

- Chair Ortiz said he has the same question about the incentive reductions. He said if the Council were to approve the implementation of the reductions in the dollar amount proposed, it then becomes the responsibility of the administration to manage the personnel to achieve these budget savings. We could say we want to implement these and save \$1.5 million by improving efficiencies in management, and it is then incumbent on you to achieve these savings. He asked how these numbers become actual savings.

Mr. Romero said they were directed to reduce the budget by the \$600,000 mentioned at the Council Meeting, so he is beginning negotiations to do that. He said there is no way he can cut the leave out of the budget, because we still pay people their annual salary.

- Chair Ortiz asked if there is a way to amend or change the City's Personnel Regulations to accomplish changes in our leave policy to actually realize \$1 million.

Mr. Romero said, for example, if bereavement leave is eliminated, and someone takes sick or annual leave and comes to work, there isn't a savings. This is the problem in reducing leave, but we get more productivity. He said whether they are here or not and their pay is the same, so it is very hard to budget for that, because they are paid their salary whether they are on leave or here working. He said it helps when they retire, because they will have less leave to be paid, but it really doesn't help us in the annual budget.

- Councilor Calvert said he has asked the City Manager to estimate, based on past years, what we pay out on annual leave at retirement, and how that might translate into savings in the future in the budget, based on the policy that we have asked for a 10% reduction in leave. He said, although we won't see savings in this budget, we will begin to see savings in the next two years based on what we have paid in the past, commenting it would be helpful to get that information.

Mr. Romero said they are working on that, and believes it will be about five years before we begin to realize savings, because it is a property right for people who are looking to retire in the next 2-3 years, and they already have that leave, and it will take time for the change to produce savings.

- Councilor Bushee said the elimination of the Land Use Hearing Officer isn't in the recommended column.

Mr. Romero said he needs to move that over since it has been approved by the Council, noting that is \$40,000.

- Councilor Bushee asked Mr. Romero if he confirmed that increasing Business Licenses from \$35 to \$50 is prohibited by State Law, and Mr. Romero said this is his understanding.
- Councilor Bushee would like something in writing, and Ms. Raveling said she will give her a copy of the State law.
- Councilor Bushee asked Mr. Romero to include the salary reduction estimate on future gap pages, so we have an idea of the cost of the 5% on non-union which was about \$1 million, and Mr. Romero said he will add that.
- Councilor Bushee would like Mr. Romero to indicate the Water Payback of \$1.1 million on the gap sheet, and Mr. Romero said he will change the \$1 million shown to \$1.1 million.

Councilor Bushee would like that shown in parenthesis near the \$12.5 million total water payback balance.

- Councilor Chavez said some of the recommended reductions depend on negotiation or arbitration, such as the shift change for the Police Department which is \$100,000.
- Councilor Chavez would like Mr. Romero to put the numbers which require negotiation in a separate column [Exhibit "9"] He said this is needed so we don't have to look elsewhere for the amount of the gap funds.
- Mayor Coss thanked Mr. Romero and staff for their work, commenting the picture is getting more clear and we have narrowed the gap to \$3.6 million.
- Mayor Coss suggested removing the leave reduction from the list, since the \$1 million can't be used to close the gap. He said it is \$1 million in increased productivity among the work force. He

said we have reduced personnel costs over the past 3 years by \$8 million along with the increased productivity.

Mayor Coss said the bulk of the \$600,000 does have to be negotiated, but not for the non-bargaining employees. He sees the \$600,000 as being pro-rated among the bargaining units proportionate to their share, as well as the non-bargaining, noting there are some non-bargaining employees which receive incentive pay.

Mr. Romero said it is about \$40,000 for non-bargaining, noting there are a lot more incentives for bargaining.

- Mayor Coss said when this is negotiated with AFSCME, it is important to note that probably 2/3 of AFSCME's membership is not paid from the General Fund. He said unless these savings are transferred into the General Fund we won't realize the full \$600,000, noting it all goes to the greater productivity from the employees.
- Councilor Wurzbarger said she hopes everyone realizes the impact of continuing to use non-recurring funds to balance the budget, asking Mr. Romero to show the Council the summary he did yesterday, noting that can be done later, so we have an idea of what we've spent that we can't use again, and what we are proposing for this year's budget which will be non-recurring.

Mr. Romero said he will provide this information on Monday.

- Chair Ortiz said Items #6 through #9, are items which have been discussed, and the subject of two public hearings, regarding the approach we will take to close the gap which has been identified in the proposal.
- Councilor Bushee would like an exercise on reviewing all reserves, including enterprises.
- Chair Ortiz said earlier in the meeting there was a review of the cash balances in all of the major funds, both in the enterprise funds and the General Fund, and that information is in today's packet. He said we talked about these in general. However, if she wants to talk about specific funds in light of the proposals on the table, this would be the time to talk about that.
- Councilor Bushee said the obvious one is the \$4 million from Wastewater, and asked if there is good reason to keep the cash balance at this level, and if we overcharged the ratepayers. She wants a more thorough discussion of how this happened.
- Chair Ortiz said one of the things which was announced in the discussion of the Wastewater fund was a Memorandum which was received from Jason Mumm saying how we got to that place. He said Councilor Wurzbarger can provide a copy of the Memos from Mr. Mumm.

[Copies of Exhibits "10" and "11" were provided to the Committee and other Governing Body members in attendance]

- Councilor Bushee said it is still unclear to her whether "that money is extra or a balance we've always felt comfortable in keeping, or got a wrong report and overcharged people." She wants to be very clear, noting she doesn't recall large cash balances in other funds, saying we have been raiding reserves in the past.
 - Chair Ortiz said it is the Health Fund, the Water Fund and the Wastewater Fund which have large cash balances. He said he questioned the proposal to change the transfers in and out of the Water Fund from \$8 million to \$12.5 million, and asked if these were transfers specific to the General Fund or for specific projects. He said this was an item for specific follow-up by staff.
 - Councilor Bushee believes those funds are slated for capital projects and the Chair agreed.
 - Councilor Chavez agreed as well, noting in the earlier discussion we tried to make the connection between cash balance and the need for projects in the future, and believes this is where this discussion is centered. He doesn't believe all of the reserve has been generated through rates, and said a lot was the result of Costy getting grants for capital projects which have not come to fruition. He believes there needs to be some separation there.
 - Chair Ortiz said one of the proposals which he doesn't recall seeing, is the proposal at the bottom of the budget gap sheet, which says, "Wastewater 1/16 GRT transfer back to the General Fund at \$1.7 million." He said this is a GRT increment specifically allocated to Wastewater and asked Mr. Romero to speak to this. He said this seems to be a proposal to take money we already are taking from the GRT specifically allocated for Wastewater. He doesn't recall discussion about that proposal, although there has been discussion and public comment on taking from reserves. He asked Mr. Romero to explain this proposal.
- Mr. Romero said the \$1.7 million is the municipal environmental GRT. He said he learned from the Bond Counsel and the City Attorney that these funds can go for any environmental expenses the City has, so we possibly could transfer that to the General Fund to pay for something we do in streets, parks or elsewhere. He said it would be a \$1.7 million annual hit to Wastewater, although they could overcome that for a few years, but there would come a time when it is a problem for Wastewater.
- Chair Ortiz recalled the discussion when that proposal first came to the Committee, saying it ms there is some duplication in terms of the allocation of this increment to Wastewater in conjunction with that rate increase. He said, without even getting into the proposal to suspend future rate increases, this seems to be an area where there is some ability to have recurring revenue. He said if this could be transferred to the General Fund for use in other areas, it would be a recurring source of funds, assuming we can justify that those funds are being used for the purposes set out in this increment.
 - Responding to Councilor Bushee, Chair Ortiz said it would be recurring as long as we have this increment, and Mr. Romero said the \$1.7 million is recurring revenue.

- Councilor Calvert said we need to have a thorough discussion about this at the Public Works Committee, including compliance with the State law which specifies how these funds can be used.
 - Councilor Wurzbarger said there will be a detailed discussion at Public Utilities, but believes it would be beneficial if Brian Snyder would discuss the two memos, and talk about our options and recommendations from staff records. She said Mr. Mumm will be available on Monday for a very detailed discussion to answer questions and talk about the background and options for the next steps.
 - Councilor Chavez asked if Mr. Mumm will have a list of the projects.
 - Councilor Wurzbarger said that information is in the two Memos.
 - Councilor Bushee doesn't believe we can have a detailed discussion of the \$4 million if we don't have all of the information which is provided here.
 - Chair Ortiz said, without seeing the memos and assuming our capital expenditures are being considered, it would be a better use of our resources to allocate recurring general gross GRT increments, if we can, as opposed to doing one-time shots from cash balances of an enterprise fund.
 - Responding to the Chair, Councilor Wurzbarger said Brian Snyder can explain how we found the funds [Exhibit "10"], and the series of options in the second memorandum [Exhibit "11"] to reduce rates. She said she was mistaken, and was just handed a note that we won't have the list of projects until this goes to the PUC.
- Brian Snyder said a summary of the projects is included in the Financial Plan, noting staff will provide a copy which will map out all of the identified projects from 2011 through the end of the Financial Plan.
- Mayor Coss said he likes the Chair's suggestion, noting he wants to see if we are in the ballpark, because all he sees in the Memo is a rate reduction strategy. He asked if it would be in the ballpark to say, if we took the \$1.7 million GRT and allocated that to the General Fund in the legal, appropriate manner, would that loss of revenue would mean we couldn't do any rate reductions right now, and it might be difficult to do the three scheduled rate increases coming up.
- Mr. Snyder said this is correct, and it is the case of one or another, and there is a direct correlation. He said if you transfer the \$1.7 million to the General Fund a rate increase will be needed in the future, but probably not the 4.7% for 2012, 2013 and 2014, but there will be some rate increase. He said we can't eliminate the rate increase and do away with the \$1.7 million.
- Mayor Coss said but the rate increase wouldn't be larger than the planned ones, and Mr. Snyder said this is correct.

- Councilor Bushee asked if we need the lawyers to weigh-in on any of this.

Mr. Romero said Ms. Raveling spoke to bond counsel and our attorneys, and we can transfer those funds as long as they're used for environmental purposes, and we have plenty of environmental things we do in the City.

- Councilor Bushee said she also is speaking about the estimated revenue and the over charge to the ratepayer and asked if this revenue was used to bond for the capital projects. She would like an answer from bond counsel.

Mr. Romero said he can check with Legal, but he hasn't heard it is an issue.

- Councilor Wurzbarger said her understanding, based on conversations last week, is that the capital funds were expended as projected, and it is a matter of over-estimating the income based on the rate change we passed.
- Councilor Bushee said then the projected increase was based on the revenue and not on the bond figures, and Councilor Wurzbarger said yes, and those figures were incorrect.

Mr. Snyder said this is his understanding as well.

- Councilor Dominguez asked Mr. Snyder to talk about the variance issue in the second Memorandum.

Mr. Snyder said in 2009 when the Financial Plan was being updated, the reports and the balances shown were incorrect.

- Councilor Dominguez asked if it was corrected in February 2010.

Mr. Snyder said the original report was for the rate increase effective January 1, 2010, and we updated the financial plan on an annual basis, and that was found in December 2010 or January 2011, but was not presented to the Public Utilities Committee in April 2011, due to the lack of a quorum for two consecutive months in February and March.

- Chair Ortiz said there is another issue. He said we have budgeted \$1.5 million for a CIP bond cycle. He asked if, instead of doing a CIP bond, we could package our CIP projects and go out for an election for a general obligation issue and let the public decide if they want to fund a capital outlay programs like other communities do for roads, streets and facilities and projects.

Mr. Romero said this is possible.

- Chair Ortiz said he understands we are looking at a \$18-\$20 million CIP bond.

Mr. Romero said it is \$20 million. He said the way the ordinance is written on the ½% GRT, about

half goes to maintaining buildings, roads, parks and other maintenance. He said we would need to work with legal to see if that can be put to a vote. He believes when it goes for a vote it has to be for bricks and mortar.

- Chair Ortiz said if this is an option, we would have to decide how to allocate the expenses for operations and positions currently funded in CIP, for example, for the Southside Library. He said in light of the opposition to a property tax increase without going to the public, if we were to craft a package setting out the improvements to be made over the next 5-10 years and let the public vote on that, if approved, would give us the ability to take moneys which are shared out of the budget and make that contingent on public approval. This would free up General Fund moneys that could be used to cover the shortfall. He asked if this is a possibility.

Ms. Raveling asked if he is talking about another property tax.

- Councilor Chavez said that would be a General Obligation Bond.

Mr. Romero said there are issues. He said we have the Parks Bond and we used those funds to pay for the administrative people who are carrying that out, so he is unsure if we could use a future bond to pay for operations at the Southside Library or the GCCC.

- Chair Ortiz said this is correct. We would have to find those resources elsewhere, but in terms of allocation, we could pay for road and street repairs, construction of facilities or any of the other capital needs we would otherwise fund through a CIP bond. We would do a G.O. bond instead, as we did with Parks, and let the public approve that package, noting a bond for road improvement in Rio Rancho was recently defeated. He said Las Cruces funds its projects on bonds.

Mr. Romero said currently we earn about \$14 million with the ½% GRT, with \$11-12 million going to pay off previous bonds, and the other \$3 million is used for library and GCCC operations and the MRC debt service. He said if we did that we could continue to pay those out of that fund. However, we are at the point we are running out of money to buy paint to maintain our infrastructure, so we need to do something sooner rather than later to maintain our current infrastructure.

- Councilor Bushee said the last paragraph in Mr. Mumm's Memorandum [Exhibit "10"] says, "The 30.1% increase was never developed to cause an increase in the fund's cash balance. However, because the increase was overstated, the wastewater enterprise currently generates approximately \$3.4 million per year in free cash flow.." She presumes this to mean that it isn't encumbered in any way. She said the Memo further states, "... (with no additional rate increases, the free cash flow decreases to \$2.4 million by FY 2015/16)." She said even if you took the \$1.7 million environmental GRTs and moved it over and it was not available for Wastewater, there is a very healthy reserve which can be used for capital projects, and without the rate increases there is still a cash flow. She doesn't know why we can't achieve both.

Mr. Snyder said he would defer that answer to Jason Mumm. He said his understanding is that it is not linear as you're looking at it and there is a complicated answer to that, but it needs to come from Mr. Mumm.

- Councilor Bushee said at the very least, she doesn't want to have the two increases removed from the table which wouldn't be as much as a rebate. She said it would seem to her that you shouldn't be maintaining a cash balance of almost \$20 million and going out for a rate increase. She asked if there is an internal requirement for cash balances before implementing a rate increase. She understands we passed a rate increase, but we also can undo it.

Ms. Raveling said before Councilor Bushee arrived we reviewed some of the cash balances and she said she told the Committee we have maintained cash balances but there is no hard and fast rule.

- Councilor Bushee said she is talking about the amount of cash reserves in correlation with a rate increase about to go into effect. She is concerned about justifying a rate increase when we're sitting on a \$20 million cash reserve. There should be an internal thing that says what triggers the need for a rate increase, noting this is why we do rate studies and have bond counsel. She understands errors were made, and doesn't want to take not increasing the rates off the table, and wants to know how we can do both – transfer the money and not increase the rates.
- Councilor Chavez said we also have to look at the pending projects in Wastewater, noting the cash balance was generated from the rate as well as to have money to do capital improvements. He said we are waiting for a list of capital projects which go with the Memorandum and the discussion that will happen at PUC.
- Chair Ortiz said, as he understands the first discussion on this proposal, we were told by staff that as far as they knew, all of the projects which were bonded as part of the rate increase have been substantially completed. He said that will be part of the more detailed discussion at PUC. It is a non-linear revenue stream, but in light of this information on the GRT increment, it seems Wastewater has been benefitting from two revenue streams – the GRT increment as well as the increase in rates. There is a proposal to reduce the rates in the future, but if we divert the GRT revenue and put it to best uses in City government, he is concerned about how will that impact the proposal we just got to not do the rate increases in the future. Can we move that \$1.7 million to the General Fund, noting that is where we're headed in terms of the PUC discussion on Wednesday.

Chair Ortiz said in terms of consensus, there is general consensus to ask Mr. Romero to move the \$1.7 million from Wastewater to pay down the debt.

- Councilor Calvert said all of this needs to be discussed comprehensively together, including how to pay back the loan the Water Division owes to the General Fund, and taking \$1.1 million is not a comprehensive plan. He wants to do this in the discussion at PUC.

- Chair Ortiz asked if the current plan on the water payback is scheduled for Public Utilities.
- Councilor Wurzbarger said no.
- Chair Ortiz said when we had to bail out the Water company to avoid bond default, he thought we did an increment from the CIP allocation in that budget year to use CIP money that was going for capital improvements to put into the Water company to shore-up its cash reserves. It said it wasn't that we took General Fund monies which otherwise would be used for salaries and benefits and gave it to the Water company. He believes we used 60% of the CIP allocation that year and moved it to Water, placing a condition that it would be a payback from Water into capital accounts in the General Fund.

Mr. Romero said it would go back into the ½% GRT fund which is used to cover operations at the library and other areas, so it could be used for operations, noting we have used CIP funds for operations for some time.

- Chair Ortiz said we can use it now because the Ordinance changed. However, the Ordinance in existence at the time was it couldn't be used for salaries and benefits, it could be used only for capital expenditures.

Mr. Romero believes it is separate money, because we used the money for capital at the time. He said we can or cannot ask the Water Division to pay it back, but there probably is a restriction on how we use the money, because we actually used the money for its purpose – for capital improvements at the Water Division.

- Chair Ortiz said we have had the comprehensive discussion, and it is a matter of getting that information and repaying the money. He said there was a proposal that the water company could pay back the \$12 million at that time, but it would result in increases in the water rates.

Mr. Romero said this is correct. He said right now there is \$1.1 million which can be repaid without affecting the rates, but to pay more would result in a need to raise the rates to cover it.

- Chair Ortiz asked if there is anyone on the Governing Body who does not think we can move the \$1.1 million over in this fiscal year. No one responded, and the Chair said then we can move that over.
- Chair Ortiz said the last item on the gap sheet is the Health Fund which has \$9 million in reserves, although only \$7 million is listed here, and asked if there is a discrepancy.

Mr. Romero said it is always a moving target, because we budget only so much to address a catastrophe between now and the end of the fiscal year, but he doesn't know the reason for the discrepancy.

- Chair Ortiz said there is a list on page 32 of the Summary Balances which list the Health Fund Reserve as \$9 million. However, it shown as \$7 million on the budget gap document. He asked if we have reduced the fund by \$2 million in this fiscal year..

Mr. Romero said next year the health expenses will be more than this year, and the direction has been not to increase either the City's or the employee's portion.

- Chair Ortiz said 4 months ago when Vicki Gage did the presentation on benefits, "it sort of got swept away," but he though the conclusion of her presentation was that she was budgeting the same amount of costs as this year, and there was no expected increase.

Mr. Romero said a 5% increase in the \$15 million is projected for next year.

- Chair Ortiz said that is \$750,000, so there is still a little more than \$1 million in cash balance than is listed on the gap sheet and asked for an explanation of this discrepancy.

Mr. Romero said Ms. Gage said there are still unpaid claims.

- Chair Ortiz said then we need to list accounts payable on page 32, which will reduce the cash balance, and perhaps that's the explanation. He asked if there are outstanding claims of \$2 million.

Vicki Gage said, as Mr. Romero says, this is a moving target, and at any time there are a number of claims which have been incurred but not reported. She said they budget based on the highest factor of the worst case scenario, noting it is budgeted at 80-90%. She said the \$9 million was at the beginning of the last fiscal year, and the balance has fluctuated depending on the number of outstanding claims.

- Chair Ortiz said when Mr. Romero listed the reserves and fund balances you only listed Health Care, but not the Risk Fund or the Insurance Fund, which have cash balances of \$5-6 million, and asked the reason those weren't put on the list.

Ms. Gage said the Insurance Fund is listed.

- Chair Ortiz said it is listed in the Summary of Cash Balances, but not on the gap sheet. He asked the reason it wasn't listed to help close this year's budget gap. He said it was raided in the past, noting in 2004/2005 it was near zero.

Mr. Romero said he can summarize all the fund balances and discuss this again. He said this is a good point, admitting that he was unaware those cash balances were there possibly to be used to close the gap. He said it is the Council's discretion as to how much money we leave in those funds. He said the picture now looks a lot better than he thought before, and he can research those funds and report back.

- Councilor Bushee said the Fire Property Tax has a cash balance of almost \$1 million.
- Chair Ortiz said this is already encumbered, noting this was discussed earlier in the meeting, and the Committee used either the Fire or Police Fund to avoid furloughs this year, and that needs to be drawn down.

Mr. Romero said \$400,000 was used to balance the budget last June, and we are using up to \$600,000 to bridge this year's gap.

- Councilor Chavez said there are 3-4 areas which will depend on negotiation, and he thinks those need to be separated-out. He noted we have never charged Funeral Escort Fees, but we are hoping to generated \$73,000. He asked what happens if that doesn't materialize.
 - Chair Ortiz agreed, saying if we don't meet the revenue and that just creates another gap to be filled next year.
 - Councilor Chavez questioned the rationale for using some of these revenues to meet the budget gap. He believes, for example, a lot of people will forego the escort and not request it because it may not be in their budget, so we may not realize this revenue.
 - Chair Ortiz said this is the time to move items to the right hand side of the page or back to the left hand side if we have questions or doubts.
 - Councilor Chavez said leave it where it is, but he is cautioning that we need a fall-back if the revenue don't materialize, and there should be a cushion in the budget to address these kinds of contingencies at mid-year.
 - Councilor Wurzbarger said Councilor Chavez is absolutely correct. At the very end, we should include a contingency for errors in the event we don't get what we expect, noting however, this will create a larger gap. If the revenue comes through then we'll be "in a new reserve era."
- Mr. Romero said the estimate for Ambulance Fees, is estimated on what we do now, but if we collected everything it would be more than \$100,000, and they tried to be conservative, commenting that they are correct that the revenue might not materialize. He said some are sure things, others he doesn't know.
- Councilor Wurzbarger said we need to know what is not a sure thing based on the history of that revenue, or lack thereof.
 - Councilor Chavez reiterated his believe that we need a fall back position.
 - Mr. Romero said he can remove the \$73,000 and wait until next year to see what it earns, and budget it next year.

- Mayor Coss said he is leaning toward taking the \$1.7 million GRT revenue and showing that as a recurring revenue stream from Wastewater, which would reduce the gap to \$1.9 million. He said if we were to transfer the \$1.1 million from Water which is not recurring, the gap is down to \$800,000. He said Councilor Bushee has been saying this for months. He said it seems more sound to go with the \$1.7 million than to transfer from cash reserves, noting Public Utilities will have to look at this.

Mayor Coss said he wouldn't support using cash reserves from Public Safety funds because we need to increase Police and Fire and not hold them flat when they have cash balances. He does not support transferring funds from the Health Fund, noting the Governor vetoed the Legislature's first attempt to come up with health care reform to match the federal reforms. He said we could get a big increase next year, and one or more employees could get very sick and that \$7 million could disappear in two years.

Mayor Coss said new information has been brought to the table on other cash balances, reiterating if we use the \$1.7 million GRTs and the \$1.1 million from Water, we are within \$800,000 of closing the cap.

- Councilor Bushee said we could use the electric franchise fee as a small pass through of \$500,000, and we would be at \$300,000.
- Chair Ortiz said we could put the public campaign financing to a vote of the people to see if they want tax money to be used.
- Responding to Councilor Bushee, Chair Ortiz said the public didn't vote on how to finance the cost of public campaign financing, and with that \$300,000 "we're there."
- Councilor Dominguez said, with regard to the Mayor's comments, some of this is dependent on the GRTs with the theory those will remain flat, although we hope it will get better. Those figures depend on whether the GRTs increase or decrease. He said that revenue isn't sustainable, and we always can't depend on it.
- Councilor Wurzbarger said the \$1.7 million GRT transfer is an option, but she isn't willing to say let's do it until we have a chance to meet with Jason Mumm who has advised us on this for the past 5 years, and we absolutely need to understand all of the ramifications of doing it. She said, "But it is a choice, as is, and I want to reiterate looking at the, I've written down under reserve fund balances, all reserve fund balances, even the small ones where we've gone from \$150,000 to \$300,000. You should come back and give us your recommendations on whether we can take \$150,000 from the Library reserve. I don't know. I want to hear that from staffs' perspective. And I think there's at least a million dollars there, just from the way we went through these numbers."
- Councilor Bushee asked if we can stop the radio ads, and Councilor Wurzbarger said, "Not yet."

Chair Ortiz said this is a study session, so we can't take action on any of these items today. He asked if there are any items, based on the discussion of the budget gap, that need to be removed from discussion, and there was no response.

Items #6 through #9 were combined for purposes of discussion and presentation.

6. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 11-2.1 SFCC 1987 AND CREATING A NEW SECTION 11-2-6 SFCC 1987, LIMITING GENERAL FUND PERSONNEL COSTS (COUNCILOR ORTIZ). (KATHRYN RAVELING) Committee Review; Finance Committee (Postponed) 03/21/11; Finance Committee (Postponed) 04/04/11; Finance Committee (Postponed) 04/18/11; City Council (Request to publish) 04/27/11; and City Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**

A copy of the proposed Ordinance, with attachments, is incorporated herewith to these minutes as Exhibit "12."

7. **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) Committee Review; Finance Committee (Postponed) 03/21/11; Finance Committee (Postponed) 04/04/11; Finance Committee (Postponed) 04/18/11; City Council (Request to publish) 04/27/11; and City Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**

A copy of proposed amendments to this Resolution proposed by Councilor Chavez, with attachments is incorporated herewith to these minutes as Exhibit "13."

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

A copy of proposed amendments to the Resolution regarding Property Tax/Keep Santa Fe Working, submitted by Mayor Coss and Councilor Calvert, with attachments, is incorporated herewith to these minutes as Exhibit "14."

- 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) 03/21/11; Finance Committee (Postponed) 04/04/11; Finance Committee (Postponed) 04/18/11; and 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). (KATHRYN RAVELING) Committee Review; Finance Committee (Postponed) 04/18/11; City Council (Request to publish) 04/27/11; and City Council (Public hearing) 05/25/11. Fiscal Impact – Yes.**
9. **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; Finance Committee (Postponed) 04/04/11; Finance Committee (Postponed) 04/18/11; City Council (Scheduled) 05/25/11. Fiscal Impact – Yes.**

A copy of the proposed Resolution is incorporated herewith to these minutes as Exhibit "15."

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

Chair Ortiz asked if there is anything from the Committee and other members of the Governing Body on Items #6 through #9, or any items they wish to remove from the table, in light of the way the budget discussion is going.

- Councilor Chavez said since it appears the property tax will not be an option this time around, he will withdraw Item #9, requesting the authorization of up to \$20,000 of City funds to assist property owners of affordable house to help pay their property tax in the event of an increase which puts them in jeopardy of losing their homes. He said this would apply mostly to people in the Homes Program.
- Chair Ortiz said he tends to agree, and thinks the property tax proposal is dead, but he isn't a sponsor of that bill and can't speak to whether or not to withdraw it.

Chair Ortiz said his bill is an item to reduce personnel costs and put it more in line with our gross receipts tax. He said Ms. Gage said in some of the funds in departments, we budget for the worst case scenario, and what we have seen is that in some years we budgeted on optimistic projects which has gotten us into the problems we are facing now. He said, sustainably, the only thing we should do is to look into the past to see what that projection is. However, he doesn't believe there is the will on the Governing Body to go back 8 years, so he has in mind to say a 4 year window, to allow for adjustments. He said you can see, from the cash balance summary which looks back 3 years, there have been reduction in funds which are dependent on the GRTs.

Councilor Ortiz said if our salaries and benefits were more in line with more conservative projections, we could start to see increases in some of those balances because we would necessarily have a break in personnel costs.

Councilor Ortiz said he will be amending his Ordinance to a 4-year window so we have a better sense of what kind of window we're looking at. He said it becomes less conservative, because it takes us out of the 2004-2005 fiscal year.

- Councilor Ortiz said, from his perspective, depending on the discussion at PUC, he is not inclined to take money from the Wastewater cash balances. However, if there is another way to do an allocation of the increment of the environmental GRT, he would support that. He hasn't seen that in a press release or discussions, commenting this has come up recently
- Mayor Coss said he won't withdraw their Resolution, because we had a \$4 million gap when they proposed this, and as much work as we've done, we still don't have proposals on the table to sustainably close this gap. He said if the \$1.7 million from Wastewater works out, that would be good because it is sustainable, and that would close the gap. He said the \$1.1 from Water is not sustainable, and drawing down cash balances, especially Police and Fire, isn't sustainable. He said we're to the point where we're drawing the line on further cuts, noting we cut \$8.7 million in wages and positions from City government. He said there are other things in the Resolution which haven't gotten much attention, such as what do with the bond issue, and how do we get jobs and houses from a bond issue, about some of the negotiations we want to have with the unions, about salaries and benefits and where those go in the coming years, especially health insurance, pay increases, which are all on the table under the Resolution, however we finish the budget.

Mayor Coss said he is hopeful about some of the things we've been learning since the Resolution was introduced. However, we aren't there on what is a sustainable, fair budget, and he hopes we can close that gap this year and get there. He said when he hears talk of taking money from the Health Care Fund, from Public Safety funds and knowing it isn't sustainable, then it doesn't make him want to withdraw that item from discussion on the table. However, he has every hope we can close the \$3.6 million and not make that a greater gap as we go along.

Mayor Coss said, with regard to Councilor Ortiz's Ordinance, he thinks there is a lot of merit in all the work we've done the last 3 years, especially this City Manager during the past year on the organizational charts we see, about having an ordinance that governs how fast this can grow or should or would grow. He said rolling it back to 2004 was a little extreme, but he would like to work with him in saying this is where we were or where we're going to be unless revenues start to increase with a stronger economy. He said this is part of managing City services going forward.

- Councilor Chavez said he was hoping, based on the discussions that we would be depending less on property tax, so he's going to leave his Resolution on the table to assist those who would be impacted if we decide to increase the property tax, commenting he hoped we wouldn't go there. He said there will be impact on City workers and those on fixed incomes, and we've heard from them. He said it will impact the elderly and seniors, as well as our young families and individuals

who are on somewhat of a fixed income, both in the public and private sector, union and non union.

- Councilor Dominguez said he has always said during hard economic times, you have to be careful not to hit the most vulnerable the hardest, and these reductions include youth services, libraries, parks, fire, police, noting these are services that our most vulnerable need and use. He said if we're not careful, in coming up with sustainable revenues or cuts, we could wind up impacting these people the most. He said the reality is that the quality of life services are mostly in the General Fund. He said these are services which our constituency has wanted and need for the most part and this is what makes this community what it is. We have to be careful not to lose sight of this in coming up with sustainable sources of revenues and cuts. He looks forward to the discussions we will have during this process.
- Chair Ortiz asked if there are requests from the Committee to re-order the different departments which may need more scrutiny given the general discussions we have. He said the Police Department is on his list and those are the last one listed, as well as some attention to the CVB, noting there has been some discussion with Public Utilities because of Wastewater.
- Councilor Bushee has no problem with the agenda order, and asked at what point we deal with the staffing levels per capita as compared with other cities.
- Chair Ortiz said that was discussed early in the meeting, noting Mr. Romero provided a handout which compares Santa Fe with Farming, Rio Rancho and Las Cruces. He said we can have that discussion at it relates to different departments, noting two cities contract transit services, one to MR COG and one to a private entity. Some cities contract water and wastewater, and there are things Santa Fe does which others don't, such as parking, noting he didn't know Las Cruces has free parking, or private for pay lots which we don't have.
- Councilor Chavez said the number of employees living in the city versus outside the city sets Santa Fe apart somewhat.
- Chair Ortiz said that information is available and can be provided easily.

Break 11:30 p.m. to 12:30 p.m.

10. DEPARTMENT REVIEWS:

A copy of "FY 2011-12 Budget Development – Contractual Services," dated April 26, 2011, is incorporated herewith to these minutes as Exhibit "16."

Chair Ortiz said the purpose of the department reviews is to ask questions about the department, and if there are follow-up items, to put those on the table so those questions can be answered so we can take action to approve the different department budgets.

A. PUBLIC UTILITIES – page 86

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

1) Water

- Chair Ortiz asked, on page 97, the reason for proposing a budget cut in Grants and Services from \$703,000 to \$223,000, along with an increase in salaries in that group from \$150,000 to \$435,000. He asked how these are justified.

Mr. Snyder said the \$703,000 in FY 2011 was based on grants and services received from our funding, but the amount anticipated to be received in 2012 is anticipated at \$223,000. He said this is because we won't have the federal stimulus funds again next year. He said in terms of staffing, through the peer review process, the Water Resources Staff report directly to the Water Division, and Water Resources is being combined into the Water Resources and Conservation staff. So the Water Resources staff that used to be under Water Division Administrative budget, now appears in the Conservation Budget which needs to be relabeled to Water Resources and Conservation.

- Chair Ortiz asked where the line item was decreased with the shift.

Mr. Romero said that is shown on page 95, at the bottom under the last "gray," where it goes from \$370,000 to \$114,000, and Mr. Snyder said this is correct.

- Councilor Chavez said this level of detail in this Division is hard to follow. However, it raises a question of how we manage grants in all divisions and departments and how critical they are to our ability to provide services and keep things running. He asked for a separate summary of grants running through all of the departments, and asked if this is too much to ask.

- Chair Ortiz asked Mr. Romero if this can be done.

Mr. Romero said yes, but we need to understand that sometimes the grants are just for capital expenditures. He said he can get this information, but it will take a little time.

- Responding to Ms. Raveling, Councilor Chavez said he would like the correlation – where the grant is coming from where it is going, and such.

Mr. Snyder said the reason Grants and Services it decreased is because the previous funding ran out, noting this line item funds the Water Conservation Outreach Program. They ran out of funds 6-8 months ago, and brought a request to Finance and PUC to increase from reserves to introduce the program. So the balance isn't an actual grant received from the State or federal government, it is the previously approved funding by the Governing Body, and we need to restart that incentive program. The amount currently in the fund has no grant money tied to it, but the Water Division has lots of other grants he can summarize.

- Councilor Bushee said on the comparison there is no listing for Public Utilities.

Mr. Romero with regard to public utilities, Santa Fe has 68, Las Cruces has 62. In Solid Waste it is 60 to 42.

- Responding to Councilor Bushee, Mr. Romero said he only shows positions once on the Public Utilities organizational charts so you wouldn't think there were more "green" or "red" boxes than there really are.
- Responding to Councilor Bushee, Mr. Romero said the BDD runs independently of the Water Division, noting he couldn't fit everything on one page, and the total is 101 employees.
- Councilor Bushee said it looks like more than 101 employees, and Mr. Romero said he can verify that.

Mr. Snyder said the BDD falls under Water Utilities. He said the Water Division organizational chart is on one page, the BDD on another and it totals 101 employees. He said because of the Canyon Road Facility and the BDD there is a large difference between Las Cruces and Santa Fe.

- Councilor Bushee said, "You can't compare the two. I'm not worried about that. I'm just wanting to know if these two together make 101," and Mr. Romero said Utility Billing might be an additional 34 people. He couldn't get enough information from Las Cruces to find out if it is part of Finance.
- Councilor Bushee said she just wants to know from our side, and Mr. Snyder said there are 34 and would fall under all 3, because they do utility billing for water, wastewater and solid waste.
- Councilor Bushee said, "Then you need to stick some in your comparison chart for each utility, then, if you can kind of break it up."

Mr. Romero said, "I will do my best."

2) Wastewater

3) Solid Waste

- Chair Ortiz asked if there is comment on the Solid Waste Management Agency [SWMA].

Regina Wheeler, Director, City Solid Waste Division, said SWMA is proposing a flat budget for this year.

- Chair Ortiz said then there be no requests to raise rates.

Ms. Wheeler said this is correct. She said last year SWMA adopted an ordinance increasing its

rates automatically again this year. She said SWMA proposed to increase its rates by \$5, but later proposed an increase of \$2.50 last year and \$2.50 this year.

Ms. Wheeler said the City Solid Waste Division is also proposing a flat budget this year, and no increase based on tipping fees, and proposes savings by recycling more to offset the increase in tipping fees.

- Councilor Bushee asked if the construction project is on hold.

Ms. Wheeler said it is not in the budget, and staff will bring that separately for approval and a budget adjustment. She said they are planning to bring options for Council consideration in the next few months.

- Councilor Bushee asked if there is a proposed rate increase.

Ms. Wheeler said three months ago, Jason Mumm made a presentation to PUC, and a rate increase is recommended to maintain the bonding capacity of the Solid Waste Division, which is 2.8% per year for 5 years. She said she is thinking this isn't a good time to bring this forward, so they will be delaying the increase, which means the recommended increase will be a little larger when it comes forward.

- Councilor Bushee asked the reserves in Solid Waste.

Ms. Wheeler said Ms. Raveling has said there is approximately \$8 million in serves, but we are spending \$1-\$2 million annually for next 2-3 years. She said it will be spend for vehicles and such.

- Councilor Dominguez asked if there is an anticipated increase in the customer base which would impact the rates.

Ms. Wheeler said after annexation the customer base is expected to increase by approximately 5,500 homes in Phase 2, and this was incorporated into the analysis, and this results in a lesser rate increase for this increase in customers.

- Councilor Dominguez said then the customer base is needed to grow to maintain the current recommended rate increase, and Ms. Wheeler said yes, if the annexation doesn't happen, the rate increase will be higher.

- Councilor Bushee asked if she expects to increase the recycling, and Ms. Wheeler said yes.

- Councilor Bushee asked if this is commercial or residential or both.

Ms. Wheeler said it is across the board. She said it has increased 10% a year for the past two year, and the new program targets doubling recycling, but she thinks it will be an increase of about 25% in residential and commercial recycling.

- Councilor Bushee asked if it is a savings.

Ms. Wheeler said yes, because recycling is tipped for free if it is commingled, and green waste is tipped at \$35 per ton as opposed to the higher rate for solid waste, so there is a savings.

- Councilor Bushee asked if it is a savings to the Division, and Ms. Wheeler said yes and that is incorporated into the budget this year.

- Councilor Bushee asked if all of the recycling, including glass, is being marketed in some way.

Ms. Wheeler said the market for glass hasn't been coming through, so SWMA has applied to the State to utilize the glass in the construction of the next landfill cell, and that approval is expected, so it will go to a beneficial use, but it won't be marketed.

- Councilor Bushee asked if "we are dumping any of it," and Ms. Wheeler said no, it is being stockpiled at BuRRT.

- Councilor Bushee asked if any of it is being ground for use.

Ms. Wheeler said a small amount is ground on a regular basis, so there will be sand by the time they need sand, and some small quantities are taken for various things, and it is sold at \$5 per ton.

- Councilor Bushee thought there were some local industries had a need for that.

Ms. Wheeler said Earth Stone is working with Albuquerque, and they are constructing a plant for them, but it isn't on-line yet. They need it washed and crushed to their specifications. The owners are from Santa Fe, but they needed a \$1 million plant to be constructed, so Albuquerque signed up for that, so if they ever need crushed glass, then Albuquerque would take our glass if needed.

- Councilor Wurzbarger said it is new for the Division to have the Santa Fe Beautiful Coordinator, and asked if this is one person.

Ms. Wheeler said it is one person that we fund through the now Environmental Services Division, but they do have youth hires through a \$30,000 Keep Santa Fe Beautiful grant which hires up to 5 temporary people to help with beautification.

- Councilor Wurzbarger asked if this is an on-going program throughout the year as opposed to the two special events we have.

Ms. Wheeler said yes, noting they do graffiti removal, median improvements, roadside beautification as well as the special events – 3-4 in summer and 3-4 in fall.

- Councilor Wurzbarger asked if the person filling the position does the work on the median, and Ms. Wheeler said yes, she manages the whole program, and she works with the crews, but mostly she directs the work.
- Councilor Wurzbarger asked if the crews are hired under the grant, or do our Streets people do this.

Mr. Romero said she works with the grants people and also manages the Adopt-a-Median Program which is an ongoing bureaucratic process with which she has to deal all the time.

- Chair Wurzbarger said Mr. Romero said earlier this is where Catherine Mortimer was moved, and Mr. Romero said this is correct.
- Councilor Wurzbarger said what is not reflected in the org chart is the tremendous effort she is doing with the recycling program and *The New Mexican*, and presumes that doesn't come under the recycling collection supervisor and asked where the Program appears on the org chart in terms of responsibilities.

Ms. Wheeler said Randall Marco the Communications Specialist and herself manage that program with *The Santa Fe New Mexico*, and that's all.

- Councilor Wurzbarger asked about the Project Specialist, and Ms. Wheeler said that's one of the team and she provides higher level administrative support for the Division, noting Vivian is the Administrative Manager over that team.
- Councilor Trujillo asked if we are still doing the Adopt-a-Median Program, saying the City put so many obstacles in the way of doing this, including insurance. He said a lot of businesses have told him they want to do this, but there were too many obstacles.

Mr. Romero said we are still doing the Program, and he has been working with Risk and Legal and we have relaxed a lot of those policies.

- Councilor Dominguez said then the Planner Supervisor and the Coordinator have been moved out of the General Fund to this Division, and Mr. Romero said yes as a part of the \$4million gap reductions.
- Councilor Dominguez said then there are 4 vacancies, one of which is a supervisor, and Ms. Wheeler said this is correct. Councilor Dominguez asked if the one position is in the bargaining unit.

Ms. Wheeler said this correct, and during the peer review it was recommended that position not be filled as a supervisor, but to be utilized for annexation. She said the plan is to take all 4 vacant positions and convert them to operational positions to support annexation, so we don't have to hire additional staff.

- Councilor Dominguez asked if there will be budget implications in doing this.

Ms. Wheeler said this will happen in the next budget year when we start collections in August 2012 which is the next fiscal year, so it should be very close to a wash, and the Chair that August 2012 is FY 2012/2013.

- Councilor Bushee said then it would be a wash because the customer base would increase.

Ms. Wheeler said what she means by a wash is that the expenses for those positions wouldn't change drastically for the new functions they would fill in supporting annexation.

- Councilor Bushee asked if she still wants to fill the Commercial Collections Supervisor.

Ms. Wheeler said no, based on the peer review recommendations, they have been operating that there is a Commercial Collection Supervisor, but the Residential Collection Supervisor fills the role of both the recycling and residential. She said the Commercial Collection Supervisor will not be filled, noting she is planning to make it an equipment operator for collection in the annexation. She said there are two Assessment Technicians, one is the supervisor and one is a welder. She thinks it will be close to the same number.

- Councilor Bushee asked what Assessment Technicians do, and Ms. Wheeler said they answer the phones for customers.

- Councilor Bushee asked if there is a training process for them, and Ms. Wheeler said yes, they train weekly.

- Councilor Bushee said then you expect to need 3 new Assessment Technicians, and asked how many there are currently.

Ms. Wheeler said she doesn't expect to need additional Assessment Technicians, noting the two vacancies there will be converted to equipment operators to support annexation. The Commercial Collections Supervisor would become an equipment operator, and the vacant welder would become a service worker in the shop to support annexation, noting this all will happen in the next fiscal year.

- Responding to Councilor Bushee, Ms. Wheeler reiterated that after annexation there would be an 5,500 households and 300-500 business as new customers.

- Councilor Bushee asked then this would be a new revenue stream.

Ms. Wheeler said yes, it would be a new revenue stream, but the recommendation for the 2.8 rate increase did include the new customers, and the new revenue stream is included in the plan.

- Chair Ortiz said then there would be a higher rate increase if we didn't annex because of the increase in cost, and would be a smaller revenue base, and Ms. Wheeler said this is correct.

Mr. Romero said Ms. Wheeler has eliminated holiday service because we were paying a lot of overtime and nobody was putting the trash out, so this is an efficiency. He said she is also using her people more effectively. He said because of these management decisions, we will be able to serve the new annexed area without expenditures and we will add revenues, noting this isn't spelled out.

- Councilor Bushee said then we don't provide holiday service any longer.

Ms. Wheeler said they do, but it is with a reduced crew. She said because so many people expected it and they would have to collect on Saturday it would be overtime anyway. She said there used to be a requirement that every single staff worked on holidays, but they no longer have that requirement, and there is a request that at least two people from every crew are off.

- Councilor Bushee said, with regard to the city comparison chart, it is hard to compare because Las Cruces has 40 people in its Solid Waste, and Santa Fe has 60.

Ms. Wheeler said she would have to look at services, noting Las Cruces just added curbside recycling this year, so she believes Las Cruces will have to add staff to do that. She said Las Cruces charges more than Santa Fe, and Las Cruces charges \$3 for recycling.

- Councilor Trujillo would like Ms. Wheeler to provide a list of all solid waste light duty and heavy duty equipment, including the year, mileage, house, and if information on preventive maintenance is available, how much have we put into each of these vehicles as of the end of March 2011.
 - Councilor Dominguez asked Ms. Wheeler, in terms of annexation, if she has anticipated equipment costs included as well, and Ms. Wheeler said yes, this is included in this year's budget because there is a 9 month lead time for the vehicles, so they have to order them this year in order to make the service date.
 - Councilor Wurzbarger complimented Ms. Wheeler on the changes she's made, noting she has been very effective with the programs. She is still concerned that we don't have the positions filled which are the first contact person. She said this Division has had difficulty with that first contact, including herself. She asked how she will address this and tie it into the City Manager's priority of customer service.
- Ms. Wheeler said that has been a high priority focus because she got lots of complaints from people who didn't like the way they were treated on the phone. Therefore, they have had focus on giving individual feedback and training on a weekly basis for that time.
- Councilor Wurzbarger said a lot of people in those positions leave.

Ms. Wheeler said this is correct, and it has been a huge improvement to have a reduction in staff, because there was an over-staffing situation, but now these two people are very busy. She makes sure there is always coverage on the phones, commenting that she and Vivian are backup on the phones. She said there is a voice mail system where they capture voice mails 3 times a day, with commitment that calls do not go to that and there is a pickup.

- Councilor Wurzbarger asked if she will be staying with the two people answering the phones, and asked if this is sufficient.

Mr. Wheeler said "Yes, and I do." She said there actually are two people on the phones, with Vivian as the third, and herself as backup. She monitors constantly, and on the third ring people pick up the phone. She said, "That's how we run the business."

- Mr. Snyder said, additionally, the reason they are comfortable with 2 the two front line customer service people at Solid waste, is with the transition of utility billing into the Public Utilities Department, they meet weekly with the Division Directors and himself to discuss customer service and such. One of the things they've identified, from a telephone standpoint, is that it doesn't matter where you call, you should get the same answers. He said with the acquisition of utility billing they have customer service representatives. So, it is training those people and getting the same message out, whether people come into the office or call in.

- Chair Ortiz said with utility billing coming over, you are saying that utility billing will have a customer service redundancy, and asked if we need these positions in all 3 Divisions, and asked the reason we don't put them all under utility billing to get economy of scale savings.

Mr. Snyder said this has been considered, and the initial take is that Solid Waste is located on Siler, Wastewater is off Paseo Rael, and Water on San Mateo, and there is a need for support at each of the facilities, specifically at Solid Waste where we have recycling and refuse bins that need to be picked up and there isn't room for those on San Mateo. He said the two staff at Solid Waste are integral to the dispatch of the crews. He said they perform functions other than customer service, and the same goes for utility billing which does filing and such during down time.

- Mr. Romero said from his perspective, since Ms. Wheeler has taken over, the number of complaints have really decreased.

Ms. Wheeler said now that they are more organized, there are policies and procedures that are being followed, and the phones don't ring with complaints about garbage pickup.

- Councilor Wurzbarger said the term "Assessment Technician" doesn't really mean anything, and asked Ms. Wheeler to consider re-labeling the position to reflect what people actually do.

Responding to Councilor Wurzbarger, Ms. Wheeler said there are 3 Assessment Technicians and 1 Project Specialists answer the phones with an Administrative manager over them also supporting on the phones. Two of the Assessment Technicians are gone.

- Councilor Chavez asked if there has been discussion lately on volume-based billing for solid waste or recycling.

Ms. Wheeler said they implemented the Pay as You Throw program as of January 2010, so anybody who wants to throw additional bags or have an additional container will pay additional fees. She said the landfill has the same program. She said moving forward with the Green Waste Program, one of the incentives would be if we could charge less for a smaller container and offer it just to people in the Program, because they're paying extra and reducing their volume of trash. She said it's sometimes tricky to go to smaller containers because people pay less and overload the container, or else throw in their neighbor's waste or just throw it in the arroyos.

- Councilor Chavez said in some cases, seniors and smaller families only put out their bin every other week. He asked if the volume based billing applies to everyone.

Ms. Wheeler said all residential customers pay additional fees for additional bags or additional containers. She said there is a monthly fee for the additional bin, and you buy as many bag tags as you need for \$1.50 and you purchase your own bags.

- Councilor Bushee said the organizational chart seems vertical, and the Administrative Manager, Project Specialist and Project Administrator seems a little heavy.

Ms. Wheeler said the Project Administrator reports to her, and does the technical specifications for equipment. She said Community Relations is an important field position, constantly talking to businesses about recycling, and helps to resolve issues with residents, reviews plans and specifications for commercial dumpsters – does a lot of important field work all day long. The Project Specialist sits with the Assessment Technician and those two people – they are right together at the front desk.

- Councilor Bushee asked about the Administrative Manager, and if she manages those people.

Ms. Wheeler said yes, and she also does purchasing, ensures we have supplies, runs the purchase orders, reporting and administrative support. She said the Project Specialist makes more money and has more high level responsibilities such as doing payroll and purchase orders and such.

- Councilor Bushee said, "Then you've looked at that and you are comfortable with the way that is set up," and Ms. Wheeler said, "I am."
- Chair Ortiz said he hopes this isn't a foreboding of things to come, or we'll be here all night on the Police Department.

B. PUBLIC WORKS – page 106

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Chair Ortiz said last year in Parks and Recreation there was a fair amount of organizing in terms of fees charged, and the price for the Summer Recreation Program and that's where this would fall. He said we heard some discussion in the previous session about how the street maintenance is tending to fall behind, and this is one reason we need the CIP allocation.

1) Facilities

2) Parks

Councilor Wurzbarger asked the status of the funds in the Parks G.O. bond, and of the park construction work done what percentage was done by local contractors.

Mr. Romero said he is preparing a present for the Public Works Committee in May, and they are working all of these details. Councilor Wurzbarger said she wait until then for the details.

- Councilor Bushee said in the organization chart, "you don't have anything down for engineering, facilities, but you have parks."

Mr. Romero said all of those are there.

- Councilor Bushee asked about Recreation Centers.
- Chair Ortiz said that is the GCCC, Salvador Perez, Ft. Marcy...
- Councilor Bushee said, "I know. I'm talking recreation. Is it only pools. I'm talking comparisons."

Mr. Romero said he tried to the best he could with the comparison, and could do more.

- Councilor Bushee said she thought everything was included. She would like those comparisons.

Mr. Romero said he will get as much detail as possible.

- Councilor Bushee believes that is important. She wants a list for each area where we have employees in a separate division or department and a comparison as possible. She is trying to get the whole picture because "I read things and people come to me and I say, look I don't know. I don't have the information. It's apples to oranges at this point until I have the comparison."

Mr. Romero said, "This is what we're trying to do."

- Councilor Trujillo asked Mr. Pino to provide him with the number/detail of all light duty and heavy duty trucks in Public Works, the year, the mileage, the hours, and how much preventative maintenance has been put into these vehicles.

3) Recreation

- Chair Ortiz said he understands there is a disparity in how we charge the different groups that utilize the City's swimming pools. He said he would like Mr. Romero to bring forward a proposal for adoption which charges all of the groups and all of the teams the same amount of money, whatever that is.
- Chair Ortiz asked if it is possible to make a list of all needed capital improvements we need in Public Works and put that to a vote of the people for a G.O. bond to pay for some of the improvements which have been lagging behind.

Mr. Pino said this is possible and he's been keeping a running list and can provide that.

- Chair Ortiz asked if this is the list we traditionally see at Finance – the CIP list – and asked if we have had a list lately, saying he thinks it is been about a year because of different problems.

Mr. Romero said he had the list last August, but learned we didn't have the funds to pay the deb service, although there was a little discussion.

Mr. Pino said we did a reallocation of funds left in the previous CIP issue, but he never provided a new list after that.

Chair Ortiz, responding to Councilor Bushee, said Mr. Pino is director of Public Works as well as Community Services.

- Councilor Chavez asked if there are 2 organizational charts for Public Works, and Mr. Pino said there are 3.

Mr. Romero said they are listed by division on 3-4 sheets. He said the first organizational chart shows the different divisions, and there should be an organizational chart for every single division you see on the first page.

- Councilor Bushee said she asked, regarding the Easter Egg Hunt, what did we wind up getting for the kids, noting she is concerned about programming for children.

Mr. Pino asked if she wants him to specifically address the Easter Egg hunt.

- Councilor Bushee asked if it is really BMX now, and what is the plan. e. What about BMX.

Martin Lujan said he said the internal committee started rethinking how to do the Easter Event and other services, looking at what we are providing and getting more bang for the buck and reaching out to more families. He said the Easter Event, given its history and trend cost between \$18,000 and \$25,000 to produce. He said they are looking at initiatives such as healthy lifestyles and how

to put those in place. He said one of those was a BMX presentation for youth. They are looking at outdoor walks and trails for youth and families, and having discussion about movies in the parks, youth and adult camps, and other programs such as tennis and golf, indoor and outdoor.

- Councilor Bushee asked if this is all for \$18,000.

Mr. Lujan said they are hoping to partner with people, and they are changing the way they do business, and will use those funds to produce events in-house, rather than contracting.

- Councilor Bushee asked how many kids they will reach, and what age groups and areas, instead of the Easter Egg Hunt. She said it has depended on the weather, and has been a very popular event for children and families.

Mr. Lujan said as they move forward they will be able to quantify this better than in the past. He said the belief of the group is that can reach more the 400 children in the community with that one-time event. He said they can put that data together as they move forward.

- Councilor Bushee said then there will be no more Easter Egg Hunt.

Mr. Lujan said they are evaluating that, but he believes they can do it differently, and they will do a similar event, but much healthier with a lot of different initiatives to get people involved. He said a good example would be to look at the Obama initiative where they did an Easter Egg roll with other games activities and games, rather than throwing chocolate to the kids. There will be an event, but at this time he can't detail the activities. Responding to Councilor Bushee, he said there will be Christmas, Halloween and such events, but they will be done differently.

- Councilor Bushee would like to be posted on those events, saying then there are no savings to be used elsewhere.

Mr. Romero said the proposed organization charts were drafted with the assistance of Denise Vigil, noting Councilor Dominguez did the initial run at these organization charts.

4) Traffic

5) Roadway and Trails

6) Streets Maintenance

- Chair Ortiz said there is a believe among the blue collars that a number of positions have been filled with temporary instead of full time employees, and asked if there is any truth to this. He said there are no line items for temporary employees. He asked if we have had a practice of hiring temporary employees in Streets or any of the traditional blue collar positions.

- Mr. Romero said they have hired temporary employees in Parks and Streets with CIP maintenance funds. He said the 7-8 maintenance positions were eliminated 2 years ago, but they have had to keep up with the work. He said if he were to recommend any kind of expansion he would like to get a few of these employees back, but he has had no choice but to hire temporary employees using CIP funds, so this is true.
- Chair Ortiz said there is a position listed in Traffic Engineering, which is a full-time position who is in charge of coordinating the crossing-guards, and Mr. Pino said yes, that is the Traffic Tech supervisor.
- Chair Ortiz said then that position is charged with monitoring all of the part time and volunteers.
Mr. Pino said that person hires the crossing guards, getting them paid and assigned, filling vacancies., and Mr. Romero said that person also does traffic studies.
- Chair Ortiz asked if the salary of this position is split between two or more funds.
Mr. Pino said there are different funding sources, but in the gap we are going to move it out of the General Fund.
Mr. Romero said we are thinking of asking the schools to pay for half of that person's salary.
Mr. Pino said we already have asked the schools to pay half of the insurance for next year.
- Councilor Wurzbarger asked if other cities pay for the crossing guards, noting this is \$211,000 annually, and Mr. Romero said he would have to research that. Councilor Wurzbarger wants the answer to this question.

C. COMMUNITY SERVICES

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

1) Libraries

- Councilor Bushee wants to see more accurate reserves when those are available, and asked if we should be using the library reserves.
Mr. Romero said there are 3 vacant management positions at the library, which can be handled through reorganization, noting it won't affect services.
Responding to the Chair, Mr. Pino said they started with 1 vacancy and now there are 2 vacancies.

- Councilor Bushee said then we aren't reducing hours or anything at the library.

Mr. Pino said what they would like to do for efficiencies is to close all the libraries at 8:00 p.m. instead of 9:00 p.m., which will result in some budget savings. He said there are more employees than patrons after 8:00 p.m.

- Councilor Bushee asked if we want to use the reserves there.

Mr. Pino said he is unsure of the exact amount of reserves, and he would hate to do that.

Ms. Raveling said this would be a one-time only use of reserves, and she told the Library Director the reserves could be used for one-time expenditures, but that they don't want to use one-time reserves to fill an on-going position.

Ms. Hodapp said she doesn't know the amount of reserves. She said the library is now 5 years old, but they are finding the library in some ways is much older than that. She said they are using some funds to bring the Library to Code, such as high quality outdoor security cameras. Some things are out of warranty such as the AV system. She said they would look at these things for a one-time fix. She said the amount of the budget has decreased, and is now \$800,000. She said the reason for closure is they did not think they could justify staying open until 9:00 p.m. when there were patrons, so that was an efficiency savings. It will help the library more to pull those employees into the time frame when they are needed. Responding to Councilor Bushee, Ms. Hodapp said there would be 5-7 customers during that time period, noting due to safety they need to have 5 people at the library and security.

- Councilor Chavez said the library has a separate endowment fund, and asked for a status report on that fund and how it is being used.

Ms. Hodapp said it is in a Certificate of Deposit, and working with Ms. Hausman they did pull 5% of the interest to be used for books at the Southside Library, noting she is being very cautious with these funds, and could have pulled half of the interest. However, she preferred to put the balance back into the fund which is approximately \$275,000

- Responding to Councilor Bushee, Mr. Romero said the organizational chart for the Library and Youth are on one sheet, and the Seniors on the other.
- Responding to Councilor Wurzbarger, Ms. Hodapp said there is one Library Services Director at the Main Library, a Manager at the Southside Library one at La Farge. She said by doing away with the Branch manager who is over both branches and the Childrens Services Director "that's how we pulled that together."

2) Seniors

- Chair Ortiz said last year we said we want to get rid of some the County facilities and move them

to the County, but it wasn't done. He asked the status, and when we can expect those facilities to be the responsibility of Santa Fe County.

Mr. Pino said he has been working on this all year with the Area Agency on Aging [AAA] and the County and our own staff, and expect the changeover to go into effect on July 2, 2011. He said AAA had to feel confident that the County could assume those services, and have the proper funds, and he believes they have that now, so we are down to final negotiations and discussion about how the grants will be split.

- Chair Ortiz said at the time this was proposed, we proposed to move two of the senior centers, which means we would keep two facilities currently outside the City limits. He asked if we have divested ourselves of all Senior Centers outside the City limits.

Mr. Pino said the 5 centers from which the City is divesting itself are Santa Cruz, Rio Medio, El Rancho, Chimayo and Edgewood.

- Chair Ortiz said Eldorado has always been outside, and Mr. Pino said yes.
- Chair Ortiz said then this would leave us with only five: MEG, Pasa Tiempo, Luisa, Ventana de Vida, and Villa Consuelo, and Mr. Pino noted Villa Consuela is a combination center like Luisa.
- Chair Ortiz said all of the red positions on the organizational chart will be eliminated because those will be moved to the County.

Mr. Pino said this is correct and his hope is that the County absorbs most of these employees. He said everyone is being asked to apply for their current position with the County.

- Chair Ortiz said with all of these positions to be elimination we're only showing \$240,000 in savings on the budget gap.

Mr. Pino said the people in the County have been funded a lot with the County's contribution and grants which we will no longer receive.

- Councilor Wurzbarger said in the current budget, in closing the centers and moving them to the County has consideration been given to what is going to change with respect to the changing demography and an aging population and what we will need in 5 years. She said it is like closing schools and then having a whole new school population and needing to double the number of schools.

Mr. Pino said the centers in the County tend to be parochial.

Councilor Wurzbarger asked, in terms of the savings, if staff is looking at the needs of an increasingly aging population, noting that population bulk will hit in the next 5-10 years.

Mr. Pino said they do look at that and track it by the units we provide, noting at this time that population is diminishing because the "Baby Boomer Seniors," aren't at the point of needing those services quite yet.

- Councilor Dominguez said he has asked staff to draft a Resolution directing staff to look at some of these efficiencies because it applies both to seniors and youth, so we can start utilizing the facilities and programs more efficiently, commenting however, that isn't going to happen in this budget.
- Councilor Bushee asked if the red boxes on the organizational chart where we cut 8 positions is because we transferred positions out of the City, or are we actually not filling positions.

Mr. Pino said there were the transfers as he detailed. There is also an Administrative Supervisor who retired in January and we won't be filling that position. He said the Senior Services Division Director is on the books through the end of this year, noting Ron Vialpando is doing double duty in filling that position, and we will be keeping that position and the Assistant Director position will go away. He said there two Transit Operators for the Meals-on-Wheels which as shown as no longer available. He said the Senior Services Director, however, wants to be sure we don't short-change ourselves on these.

- Councilor Bushee asked if this is what the radio ads are about how we cut services on Meals-on-Wheels. And asked if we have cut those services, and Mr. Pino said, "We have cut no services."
- Councilor Wurzbarger asked where Community Days appears as a line item in the budget and asked if consideration has been given to re-framing this event, noting it is too late for this year. She asked the cost, and Councilor Bushee said that has sort of folded into River Day.
- Councilor Wurzbarger asked what is happening with Community Days and what is the cost, and said she would like this information, and Mr. Pino said he will provide that information to her.
- Councilor Wurzbarger commented that Community Days is a City event, but we no longer know when it is, or what the purpose is, so she wants to know how much it costs.
- Chair Ortiz asked if Human Services falls under Community Services, and Mr. Pino said yes.
- Chair Ortiz said we were supposed to have a discussion on Human Services based on the Resolution from Christus St. Vincents. He said the amount was \$2 to \$2.5 million, but the budget shows only \$670,000, and asked for an explanation.

Mr. Romero said when they came up with the \$2.5 million they looked at everything we did last year, and there was \$1 million in Human Services and \$1 million in Youth Services, and \$500,000 in Ambulance Fee Administrative cost. He gave Christus the information on all our contracts from last year and the looked at what they possibly could fund and this is how we came up with the \$2.5 million.

Mr. Romero, referring to Exhibit "16," said if you look at page 3 of the Contracts, it appears there are only \$673,787 in contracts, and believes it is less than last year.

Mr. Pino said it is \$673,787 in contracts for Human Services, noting that the Children and Youth Commission grants are listed on page 2 in the amount of \$900,000.

- Chair Ortiz said asked, regarding the Senior Services budget, why we still have the line items listed on page 9 Expenditures County Senior Services Program \$106,000, County Home Delivery program \$30,000, County Congregate \$184,000, County Assisted Transport \$158,000. He said if we are divesting ourselves of all of the associated expenditures, why are these still shown in our budget.

Mr. Romero said the reason this is shown is he asked everyone to do this flat and this is part of the \$4 million we're going to cut so Cal wouldn't have to guess what the Council might or might not approve, and he will go through and take all of those out, and all of those figures will go away. This is flat right now, but that was taken into account in the gap spread sheet.

- Chair Ortiz said it seems like a higher amount than what is listed on the budget gap sheet, which lists only \$240,000.

Mr. Romero said the revenue side will go down too because we won't have the revenue from the County like we do now.

Ms. Raveling said we took it all out of the budget last year and then it didn't happen.

Mr. Romero said the revenue will go down and the expenses will go down, and this is the reason we're taking credit for only the \$240,000.

- Chair Ortiz asked if Mr. Romero is saying we will route moneys collected through ambulance collections.

Mr. Romero said St. Vincents asked him for anything for which he felt they could provide the service, so right now we pay the ambulance billing people about \$300,000 to provide this service to collect the almost \$2 million. He said Christus St. Vincents will pay them, and we will give the money to the County and the County gives it to whoever, and they get 3 to 1 credit for it.

- Responding to Councilor Chavez, Chair Ortiz said there was to be a 50-50 split and when the County went out for its tax, the agreement was that the County would take over control.

Mr. Romero said these are tariffs we are allowd by law to charge for the ambulance to pick someone up and take them to the hospital, so this billing company does this for us, and we pay them \$300,000 to collect approximately \$2 million.

- Chair Ortiz said one of the proposals we will hear on Monday will be St. Vincents proposal to take on that responsibility.

Mr. Romero said St. Vincents is proposing to pay the billing person instead of the City paying the billing person, but the City would still get the money and it would be a wash for the City.

Mr. Romero said he was asked to provide actuals. He said we could compare the actual budget for 2010/2011 with the current budget. He said he worked very hard to make sure everything is flat.

- Responding to Councilor Bushee, Mr. Pino said it is on the second page of the organizational chart and it is called Youth and Family Services. He said the red boxes on the organizational chart reflect the cut of one site for this year for this program.
- Councilor Bushee said then the other red boxes represent the library efficiencies.

Responding to Councilor Bushee, Mr. Romero said the Planner Supervisor position was eliminated, noting that was Rick Anaya's position. He said Terrie Rodriguez, Director of Youth and Family Services and Edith are doing that job now.

- Councilor Bushee said then these are efficiencies and not cutting positions, and Mr. Romero said this is correct.
- Councilor Dominguez asked Mr. Romero if he can quantify how much of the reductions are coming from Community Services.

Mr. Romero said we took credit for Rick Anaya's position last year. He said he will calculate this and get back to him with the information.

- Councilor Dominguez said he would like to start quantifying some of the reductions.

3) Youth Commission

See Item 10(C)(2) above.

4) Youth and Families

See Item 10(C)(2) above

D. HOUSING AND COMMUNITY DEVELOPMENT

Chair Ortiz asked if this Department is tied into the Convention & Visitors Bureau, and Mr. Romero said no, they are just on the same page.

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

1) Economic Development

- Councilor Bushee said in Economic Development there is a Division Director, Special Projects Administrator and Economic Development Specialist. She noted there is \$1.4 million in cash balances and asked if this is projected to be spent on programs, loans and such. She said at some point, at the Finance Committee, she would like a "full rundown" on all of that. She said this is a Department where she never knows whether we are getting a full bang for our buck, and still doesn't quite know what is being done.

Mr. Schiavo said he would be happy to meet with her and run through the contracts and the projects which are ongoing in Economic Development.

- Councilor Bushee said she is looking more for a cost-benefits analysis, and would like a report before this Committee at some point on all of the programs.
- Councilor Wurzbarger said Business & Quality of Life Committee, at its next meeting, will have a report that will refine much more specifically over the next year, with metrics tied to job creation and/or GRT increase. She said she will bring it to the Finance Committee once it is heard by the BQL Committee, and to other Committees that would like this report.
- Councilor Bushee said it is the same for the CVB, and is concerned about the money spent for advertising and what it brings. [The balance of Councilor Bushee's remarks here are inaudible]

2) Affordable Housing

- Councilor Bushee said she wants to understand the positions in red, and asked if the Housing Special Projects Manager position shown on the organizational chart is the woman who left, and asked about the Planner Supervisor position, and Mr. Schiavo said the person who left was Lee DePietro, and the Planner Supervisor is Katherine Mortimer whose funding is now going to come from Solid Waste.
- Councilor Bushee asked how much money the City spends with the Enterprise Foundation on affordable housing, and Mr. Schiavo said we spent \$15,000 last year, and \$15,000 was budgeted.
- Councilor Bushee would like to know what we get for this money. She asked if we are going to keep all of the other positions, the Project Specialist, CDBG Senior Planner and Contracts Administrator, and the Senior Housing Planner.

Mr. Romero said yes, noting they are running very lean, just with the committees they have to staff.

3) Long Range Planning

- Mr. Schiavo said at this point, Long Range Planning consists of support staff, Reed Liming and Richard McPherson who have been working on an update to the General Plan and overlay plans for both Airport Road and St. Michael's.

- Councilor Bushee asked who is the Director of Long Range Planning.

Mr. Schiavo said he is the acting Department Director, Reed Liming is the Division Director, and Maria Vigil is the Project Specialist.

- Councilor Bushee asked what do the staff in Long-Range Planning do.

Mr. Schiavo said during the last annexation they were working on annexation, and depending on how annexation plays out, they will play a role in that also.

- Councilor Wurzbarger asked, in terms of products, such as the Trends Report, commenting that Mr. Schiavo knows her position on that and hopes we can finally do something about not having it, or having a much shorter Report, what other kinds of products would come from 3 people other than the two plans for Airport Road and St. Michaels. She asked what we can expect in the future.

Mr. Schiavo said we can expect updates to the General Plan, noting it currently is a very lengthy document, and they're working on a more user-friendly version that has a lot more graphics. He said we can also expect the overlay plans for St. Michaels and Airport Road. He said these things really are done by Mr. Liming and Mr. McPherson, noting Ms. Vigil plays a larger role for the entire Department, ordering supplies, timesheets and such.

- Councilor Wurzbarger said she would add for our future work together, that she would like to have policy input from the Council on the update of the Plan, under the context of how we are using the Plan. She said she is not trying to be difficult, but a lot of time can be spent updating and updating and questioned to what end, and asked what we are looking for in an update. She would like to spend some time collectively looking what it is we're expecting and how much of the staff's time is being spent on an update which she would hypothesize that no one up here could actually say what it would look like, and what we're expecting from it, which concerns her.
- Councilor Wurzbarger said she thinks the same kinds of things we are doing with Economic Development needs to be done with Housing. She said, in terms of Long Range Planning, there needs to be a complete analysis of the scope of work, and how they're spending their time. If it is on committees, and they're going to committees with the Roundtable and the Roundtable really doesn't exist, or the same thing with the Realtors who have been trying to have these meetings for a year, and take a look at how they're spending their time and what the objectives are. That's not to say the CDBG, but to look the things that they are doing. She thinks there's probably some areas that I think need some clarification from Council and direction in terms of policy.

E. LAND USE

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

Mr. O'Reilly said the data as of March 1, 2011, in this fiscal year, shows we are at \$1.3 million, so we are already at the level we were for the entire last year. He projecting they will end at \$1.95 million in revenue for the Department, and next year \$2.050 million, based on the activity we're seeing right now.

- Chair Ortiz said these numbers don't necessary equate with the activity, because last year we went through an increase in fees which would have bumped up the revenues to about \$2.4 million.

Mr. O'Reilly said this is correct, however the Building Permit has been tracking permits in general and we've seen an actual uptick in the volume of permits, and they are seeing an uptick in almost every area with one exception which is production housing. He said this obviously corresponds to an uptick in impact fees.

- Councilor Bushee asked if we can assume the positions in the red will go into the future as non-funded.

Mr. Romero said everything in red was eliminated this year, or is proposed to be eliminated in the next fiscal year.

- Councilor Bushee said she thought the Council approved the Director for the Historic Preservation Division, and Mr. O'Reilly said the Council approved filling a vacant Land Use Planner position in Historic.
- Councilor Bushee asked Mr. Romero to get this into the City comparison somewhere.
- Councilor Bushee said she is interested in the numbers and what kinds of permits were issued. She wants to know if they are for small remodel, fences, and such. She asked Mr. O'Reilly if he is happy with this organizational chart, commenting that she always is looking to tear down what we don't need.

Mr. O'Reilly said he is comfortable with the level of staffing in the Land Use Department as long as it does not go below this level. He said the uptick in activity they are seeking are the kinds of precursors the Department sees before there are a lot of applications. He said every day, developers and other people are coming into the Department to talk about potential projects, noting they did not see that a year ago. He said people are talking about revising their projects. He said when the Council approved the sunset Resolution last year, and people know about the one that may be coming this year, that saved all kinds of projects, and those people now are coming forward

saying their projects would have expired and they would now be considering building them if that hadn't been past. He said staff spends a lot of time meeting with these people, and dealing with things which aren't necessarily related to permits.

- Councilor Bushee asked at what point in relationship to that do you cut it off so we don't carry it into the future and we actually get them to build. She said if we keep extending the sunset forever, they may not be as motivated to break ground. She wants to make sure we are doing the right extension of time.

Mr. O'Reilly said he thinks "we have it just about right in the Resolution done last year and the one that is on the table is just the right amount of time as well, reiterating it has been helpful to keeping those projects alive.

- Councilor Bushee said previously, the complaints she received were mostly about inspectors.

Mr. O'Reilly said the Land Use Department has issued a mandatory 24 hour turnaround on all building inspections. He said the Building and Enforcement Section sticks to that, and 98-99% of all inspections are done within 24 hours. He said this is helped by the IVR telephone call-in system. He said he has been working on getting laptops for inspectors since he came here, and we now have those. He said they were able to get that done at 1/10 the price originally thought, with the assistance of the Police Department and the IT Division. The inspectors no longer have to come back to City Hall to enter data, and able to pull up red tags and other information right away, and that goes with the other initiatives in terms of cross-training and multi-certifying the staff, and that continued.

Mr. O'Reilly said in the coming fiscal year, they are looking for new sources of revenue to come from new value added services we could add to the Department to make things go faster, but aren't things which the City typically does. He is investigating 3 of those now. One of which is the PARTner Program – Pre-Application Review Team. He said sometimes very large projects are reviewed by the Land Use Department as well as other City departments. He said in their efforts to streamline and get permits issued more quickly, they have noticed when they get everyone together they can get a lot of questions answered before someone submits for a permit. He said they have been asked by two of the applicants, specifically the Sunflower Market people, what the charge was for that service. He said we told them nothing, and they told him that in other places around the country they would pay \$10,000 for that kind of meeting. He said they are testing this to see if we really are adding a value added service. Mr. O'Reilly said they are using a pilot test program on some of the applicants to see how it works.

Mr. O'Reilly said SB262 passed in the last Legislature allows building inspectors to perform duties outside the municipality in which they are licensed. He said Los Alamos and San Juan Pueblo have approached the City so see if the City could inspect some of their work for them under contract. The new State law allows us to do this.

- Councilor Bushee asked if they are required to go to the State CID, and Mr. O'Reilly said no.

Mr. O'Reilly said we could do some of these inspection services for other municipalities and charge them for it. He said he also is looking at the zoning verification. He said people call and ask their zoning and we tell them, sometimes we write a letter, and there is no charge. He said we are seeing large zoning research companies from across the nation doing due diligence and they want all kinds of information about a property, copies of things, which is very time consuming to prepare. He done some research and, for example, Savannah, Georgia charges \$2,000 for these kinds of requests. He is looking at a fee schedule for these kinds of things.

- Councilor Wurzbarger said another of the Department goals we discussed last year was the over-the-counter work, and asked how he has improved the process.

Mr. O'Reilly said he has continued that and expanded it. He said last year there were a lot of roof leaks, and someone came in and didn't have all of the required paperwork to get a permit, so it took them a week to get the paperwork, noting once it was submitted they got the permit the next day. However, in the interim, more damage was done to the house because the roof kept leaking. He said they look at what was being required, when and why. He said now when people come in for something like that, a lot less documentation is required, because it isn't needed, and they can walk out the same day, usually within an hour with a reroofing permit. He said he is continuing to work on these things.

- Councilor Wurzbarger asked about the Neighborhood Planner, and what are they doing, noting Mr. O'Reilly was using that person for a time to learn the broad spectrum of the areas. What is the neighborhood planner doing in terms of neighborhood planning.

Mr. O'Reilly said there is only one, and his title is Land Use Planner Senior, Neighborhood Services. He Mr. Lamboy currently is working on 3 major projects affecting neighborhoods. The first is planning and working on the Airport Road Resolution and the outreach requirements which are part of that Resolution. He also is working on the Neighborhood Assistance Program, which reaches out to neighborhoods and helps them get their neighborhood cleaned up, and such. He also has been rewriting our nuisance ordinances relating to trash, noise, weeds, junk vehicles which really needed fixing. He said Mr. Lamboy has been working him and the County to unify the nuisance ordinances in the City with the nuisance ordinances in the County which are within the presumptive City limits, so there are the same rules for those who eventually will be annexed.

- Councilor Wurzbarger said, back to the original definition of doing a neighborhood plan, noting the last time he spoke with her and Councilor Romero, they were talking about the idea of doing a template which could be used by neighborhoods to do their neighborhood plan. She asked if we are anywhere near to obtaining this objective.

Mr. O'Reilly said they've worked on that a bit, but no one has come to them and requested a neighborhood plan, so they continue to sort of prepare for that. He continues to use Mr. Lamboy from time to time for a development case when he is needed.

- Councilor Wurzbarger said in District 2 this year, they experienced an unknown problem where St. John's College was planning to cut down 250 trees because of the City's road requirement. She thanked Mr. O'Reilly, noting they met with the neighbors 3 times, and avoided cutting down 250 trees, noting they had to change the 3 neighbors' minds to make a greater public good and Mr. O'Reilly was instrumental in this, and Mr. O'Reilly said the road and bridge built are really beautiful.
- Councilor Dominguez noted Mr. O'Reilly said the Neighborhood Planner is rewriting some of the code enforcement ordinance. He said we have gone through phase 1 annexation and asked if he has seen an increase in Code enforcement issues as a result. He asked his outlook regarding Annexation phases 2 and 4, and the need to increase staff.

Mr. O'Reilly said Annexation area 1 was rather small, the donut hole areas, so there hasn't been an appreciable increase in Code enforcement requests in those areas. He said, however Annexation area 2, Airport Road, Mutt Nelson areas will be huge. There are tremendous enforcement issues in those areas. He said people have been building for years without permits, building in setbacks over drainage easements in all kinds of ways which will not be in compliance with the ordinances which will be imposed on them. He said he is working to get the County on board with the City code so the County can start doing some enforcement and have our Codes match.

Mr. O'Reilly said the issue of additional staff depends on what service level you are willing to accept. He said the expectation is they handle a complaint as soon as possible.

- Councilor Dominguez said he would hope it is the same in areas 2 and 4 as other people have experienced for some time now, and asked the analysis in terms of staff.

Mr. O'Reilly said they will need at least two more Code Enforcement people, with a salary of about \$50,000 each, including benefits.

- Councilor Dominguez asked about Historic Preservation, noting there are two vacant positions which are now gone – the Division Director and the Administrative Assistant.

Mr. O'Reilly said the Administrative Assistant left during this fiscal year and he decided not to fill her position. He said there are two people in that Division and he is acting as the Division Director.

- Councilor Wurzbarger asked if there is a plan to fill the vacant position in Historic Preservation, and Mr. O'Reilly said the position has been approved, and he is in the process of filling it right now.
- Councilor Wurzbarger said, regarding annexation, she believes it is more than a matter of Code enforcement and there would be implications for permit review, and technical assistance. She wants to see, very soon, an assessment of projected costs. She said, regarding options, she believes it is the consensus of the Governing Body that the new people should be treated the same as the new residents under annexation. She asked what this means if we don't want to change the increased service he has started to provide, and what will that cost.

- Chair Ortiz believes that data should be available in-house since the City has been responsible for the EZ since we signed the Settlement Agreement, in terms of processing and review – we should already be doing this through ELUC AND ELUA.

Mr. O'Reilly said this is correct. He is projecting a need for an additional 10 personnel across the department to handle the annexation areas, which presumes we will continue to see the uptick in permits and development applications for all 3 phases.

- Councilor Wurzbarger would like this broken out for phase 2 and phase 3, and Mr. O'Reilly said he can do so.
- Councilor Chavez said there will be an impact on both the revenues and expenses to provide the services, and would like to track both. He said there are people living in the presumptive city limits who are applying for City business licenses and simple permits. He has received calls from people going through the process, so they will need direction. He sees revenue to offset the services we will be providing.

Mr. Romero said he received the first draft of the Report on the costs, and he has asked the Department Directors to look at to be sure we agree, and within a month there should be a report to go through the committees.

- Councilor Chavez would like a full list of revenue, permits, business license fees and such.
- Councilor Chavez said we knew when we annexed we would be accepting some legal, non-conforming lots, and we told people things wouldn't change that much. He said they may have to comply with the Home Occupation Ordinance which won't be a problem.
- Councilor Chavez said Mr. O'Reilly talked about service and turn around time and having people in the same room at the same time, which is good, and we need to do more of that. He said he met someone coming out of Land Use yesterday who was very frustrated about the 4 months it had taken to get a permit, but more frustrated about the "back and forth" and then finding things were still not right. He told Mr. O'Reilly to keep working on this, noting we always can't provide a permit in 24 hours, especially when it involves the H-District. He said perhaps he can talk to this individual and fine out what didn't work and it could help him adjust what he is doing in his work with the public. He said we can touch on that more as we move forward.
- Mr. O'Reilly said the primary focus of the Department is to address these issues, and talk to people who have had an issue. He said the speed for issuing permits has never been as fast as it is now. He said the people from the areas to be annexed are having problems because the process is alien to them, and they spend a lot of staff time walking them through the process.
- Councilor Chavez said this is good, noting he is giving two examples – one where the new rules apply and one in town where the rules have not changed. He said fast isn't always better, nor does it make it right. He said Mr. O'Reilly should know that because he's signing off on things, and he

needs to be careful in making his administrative approvals. He will get with Mr. O'Reilly on these two issues.

F. TRANSPORTATION

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

1) Airport

2) Transit

- Chair Ortiz asked what is happening with the North Central Regional Transit District (NCTRB), in terms of transit funds or allocated to that entity.

Mr. Bulthuis said the City, County and NCTRB adopted Resolutions which allows funds from the Transit to be allocated by the RPA. There is a move to change this, and this will be an agenda item on the next NCTRB agenda, but he doesn't know the political will to do that,

- Chair Ortiz asked, if approved, if it impacts any services or facilities in the City.

Mr. Bulthuis said he can't predict for certainty, but anticipates the control might pass to the Board of the NCTRB.

- Chair Ortiz said at one time there was thought about the City and County having its own RTD because of the issues involving control and expenditures. At that time were given promises and assurance that the civic needs would be accounted for in the distributions of the funds coming through the RTD. He asked Mr. Bulthuis if our City services are being accounted for in the NCTRB.

Mr. Bulthuis said under the current structures the City submits invoices for the services it delivers within the City, and a small part into the County, and we have been receiving payments from the RTD. There was a time lag for the first billings, but they have been more timely in paying lately. We are being compensated for services we have been asked to provide.

- Chair Ortiz recalled from his service on the RPA, the route to the Community College which clearly is out of the City limits, we still get requests to keep in operation, and asked if we still are receiving those funds from RTD, and Mr. Bulthuis said yes.
- Councilor Wurzbarger said she recalls that the concern at the time when we were considering in which direction we were going to go was whether we could get our portion of money, and questions about the ability and competency about that organization to do its job. She said, forget the articles in the newspaper, this Council needs to look at an interim strategy that does not tie us to that organization, or at the least we come up with some very clear management performance standards

with basic management principles that have to be followed. She said the next RPA meeting is on May 17, 2011, perhaps this should be considered by the Council at the next meeting and ask for direction to those who serve on the RPA so we can move forward with a consensus position from the City Council which is in our best interest.

- Councilor Bushee asked Mr. Bulthuis if he is back on the RTD Board, and Mr. Bulthuis said he understands he will be reappointed.
- Councilor Bushee said it is important for Mr. Bulthuis to be back on the board. She would like, in anticipation of what is being proposed by the RPA, is for the City to look at running a City/County version of delivering the service to see if that is more cost effective. She said it is clear that the cost and overhead to deliver these services are out of proportion to what is being put on the ground. She said we haven't been getting good representation at the NCTRB, or good numbers, and it's critical for Mr. Bulthuis to give us his opinion, noting she believes this is one of the reasons he was off the Board – he was doing his job.
- Councilor Bushee asked Mr. Bulthuis, regarding City Transit, if we are looking at cutting para-transit operations.

Mr. Bulthuis said they looked at what parts of the services could be scaled-back if we were directed by the Council to do that, but at this point they aren't moving in that direction, and believes it will be a status quo budget and service plans in terms of routes and hours we deliver.

- Councilor Bushee said then you are not suggesting cutting back hours of operation or routes or such.

Mr. Bulthuis said no, noting they have the same budget and service plan in next year's budget as this year's budget.

- Councilor Bushee asked if they are considering cutting Sunday services.

Mr. Bulthuis said they went to that exercise in the event they were directed to cut 10%, and they had to this as part of the federal requirements for public involvement and advance notice, but it doesn't appear this is going to happen.

- Councilor Bushee asked if he is comfortable with current staffing levels.

Mr. Bulthuis said he has spoken with the City Manager at length, and in the short run they can manage with the reduced administrative structure in the organizational chart. However, in the long run, to do the job he thinks the Council wants them to do, it would be helpful to get back 1-2 position.

- Councilor Bushee asked Mr. Bulthuis if he has suggestions increasing rates, or charging youth or adjusting any of the programs.

Mr. Bulthuis said the Transit Advisory Board met with the public on two occasions with a slate of possible changes if directed to do so, but at this point they are not recommending any changes.

- Chair Ortiz asked if the recommendations from the public and the Transit Advisory Board come close to 1/5 of the cost of operating Transit.

Mr. Bulthuis said no, it would come to roughly 10% if we did the whole gamut.

- Chair Ortiz said then this is a service which continues at little or no cost to the public.

Mr. Bulthuis said yes, noting the fare box return is typical in terms of the size of the operation, but it certainly doesn't cover the cost of the operation.

- Chair Ortiz asked if there is a spike in the ridership commensurate with increased gasoline costs.

Mr. Bulthuis said there definitely is an increase in the size of the ridership, noting that was the case 2 years ago when gas prices rose sharply. His experience is that those riders stayed when prices dropped off, and hopefully that will happen again and we will continue to grow the ridership.

- Chair Ortiz asked if there is interest among the ridership or the Board to re-examine the current routes for efficiency.

Mr. Bulthuis said that discussion is happening right now in relation to developments happening right now, particularly on South Cerrillos with Walmart coming in. He would expect within the next 6 weeks there will be an item on the Public Works agenda about making adjustment to service to get routes to Walmart without increasing the budget, noting they are trying to make those adjustments as we move forward.

3) Parking

- Chair Ortiz said the cash summary analysis this morning shows this fund running a deficit.

Mr. Romero said there is no deficit in Parking and there is a surplus, but it's going fast. He said some of the issues with Parking were identified in the City audit. Since then, he has asked Richard Mares to do a more intense audit. He said Mr. Gurule can provide details, noting that parking and monthly rental fees weren't being collected, noting Mr. Gurule is working on this.

- Chair Ortiz said we aren't capturing as much of the monthly parking fees as we should in terms of the large amount of parking we have, and asked if that analysis has been done.

Mr. Gurule said when he first took over Parking in August, staff had been instructed to take no more monthly parking because we were at maximum. However, since then an analysis in December, they have identified great potential for additional monthly parking, and he has been working

diligently to sell those spaces, noting they contacted everyone on the waiting list. He said they have been successful in offering new parking permits to them, and to walk-ins requesting permits.

- Councilor Bushee asked about the reserves.

Mr. Gurule said at the beginning of the year there were \$1 million in reserves, but expenditures are larger than projected revenues. He said they are working to identify efficiencies, and will not be filling two vacancies. They are working to increase permit sales and to come up with other marketing possibilities to promote the Railyard. He is working closely with the Municipal Court to be more effective in collecting past due citations.

- Councilor Bushee asked how many spaces there are in the parking garage at the Railyard, and Mr. Gurule said approximately 320 spaces.
- Councilor Bushee asked how many spaces will be taken when City staff is moved to the Railyard which aren't generating revenue, and Mr. Gurule said he doesn't know.

Mr. Romero said of the 320 spaces available, probably only 50-60 are being used, and 50-60 employees will be parking this year.

Mr. Gurule reiterated that we aren't utilizing the full capacity of the parking facility, commenting that is for a number of reasons, but they are working to promote it as best they can. They are advertising and have better signage, better advertising, and are working with the local business for a program for their customers, such as Santa Fe Clay.

- Councilor Bushee asked about surface parking, and Mr. Gurule said it is going well.
- Councilor Bushee said she doesn't know how we can do City comparisons on parking.

Mr. Romero said so far the research indicates other cities have no parking garages and do not charge for parking.

- Councilor Bushee said there are 7 vacant positions in yellow, and Mr. Gurule said there are no plans to fill these positions this year.
- Responding to Councilor Bushee, Mr. Romero said the revenues have been flat this year and aren't coming as anticipated. He said Parking actually has spent less than budgeted, but the revenues aren't coming as anticipated. He said Mr. Gurule is working on ways to market to increase revenues.
- Councilor Bushee asked about the Santa Fe Shuttle, and Mr. Romero said it is funded by the RTD and is provided free.

Responding to Councilor Bushee, Mr. Romero said we could start to charge, but he is concerned it

would cost more to collect fares than what could be earned, noting we would need 2 people to collect the money and might break even if we charged 50¢ or \$1, but we could need new equipment.

- Councilor Bushee said then it is funded by the RTD for now, and Mr. Romero said yes.
- Councilor Wurzbarger asked if we are analyzing the use of the Civic Center parking lot, and the hours, especially on winter evenings when only 3-4 cars are in the facility, and one attendant is on duty, or when there are no events.

Mr. Gurule said they currently are doing this. He said if there aren't a lot of cars and/or activity they will relocate the attendant elsewhere, but they stay on duty nights when there are events.

- Councilor Wurzbarger said the parking machine doesn't work at the parking facility near El Farol. She asked if there is a way to better monitor if the machines are working, or do we need to look at doing something else there.

Mr. Gurule has asked his staff to monitor it hourly in response to complaint calls. He said when they get complaints, it usually is that the bill is wrinkled and the machine won't accept it.

- Councilor Wurzbarger said she has heard nothing lately about the Railyard, and it seems people have gotten over their frustration at how the City was collecting parking fees at the railyard, and Mr. Gurule said this is collect.
- Councilor Wurzbarger met with the new manager of the Spanish Colonial Museum, and there is a request to consider having the Santa Fe Shuttle do a loop to Museum Hill during the summer when we have tourists here, and said she can discuss that with Mr. Gurule later.

Mr. Gurule said he and Jen will be talking about this to see if we can do that.

- Chair Ortiz asked if we want to turn away the \$1,200 that we collect on that route for Transit.

Councilor Wurzbarger said perhaps we should do away with that route and use the shuttle to go up the hill, noting the route basically serves students at St. John's and tourists in the summer. She said we all get complaints about doing bus service when a bus is empty on a particular route.

- Chair Ortiz asked why we are not paying the debt service.

Mr. Romero said that was paid by the GRT collected for the Railyard, and the garage was built 2-3 years before we finished paying off the property. Once the property was paid off, that tax now pays the debt service for the garage at the Railyard, so Parking Enterprise paid the debt service only for those 3 years.

- Responding to the Chair, Mr. Romero said the Civic Center garage debt is being paid by Lodger's Tax.
- Councilor Trujillo said we have the automated machines downstairs at the Civic Center garage, and asked if those are being used, and Mr. Gurule said no.
- Councilor Trujillo asked why those aren't being used in the evening to avoid keeping someone here for an empty garage.
- Mr. Gurule said they are looking at the possibility of relocating those machines to the Railyard, as well as looking at efficiencies in staffing. He said people have difficulty with a new process to pay for parking, but there is a lot attendant here.
- Councilor Trujillo asked if they are automated at the Railyard and people can stick the ticket back in the machine and it will let them out, and Mr. Gurule said yes, once we get the machine up and running.
- Chair Ortiz thought there was discussion about making the parking citations administrative and not juridical or criminal.

Mr. Gurule said they have been looking at the pros and cons, and contacted other cities. He said one thing which would be difficult would be when a person is in violation and require to pay a citation and continues to disregard the citation, saying there is no recourse but to hire a collection agency to collect for those citations.

- Chair Ortiz said no, you put a boot on the car, and people have to come down and pay a fee.

Mr. Gurule said they are working with the Court to send a file to Municipal Court so it can send a summons from the Municipal Court, and if they fail to appear, ultimately the Court can issue a bench warrant.

- Chair Ortiz said that process seems to take a lot of City employee time, where we could, with a relatively small capital investment and a process, do it differently. He said we have an administrative process for collecting speed van citations, and believes we can develop an administrative process for parking so we don't have to go through Municipal Court, as well as increase our collections.

Mr. Romero said staff will do more research to see if it can be done in a different way, and report back to the Finance Committee as quickly as possible, noting some work has been done on this.

- Councilor Dominguez asked how much revenue is lost from unpaid citations, and do we have a system to track that, and Mr. Gurule said in this current fiscal year, we have unpaid citations of \$674,000, and over the past two years, \$2.4 million.

- Councilor Dominguez asked Mr. Gurule how much of this amount can be collected once a collection system is put in place.

Mr. Gurule said the average collection for the industry is about 45%, and we are now collecting a little less than 20%.

- Councilor Chavez said earlier we discussed an amnesty program, and asked if that was for these kinds of unpaid citations.

Mr. Gurule said he met with Municipal Court staff and City Legal, and they are looking at the possibility of implementing an amnesty program in the current fiscal year. He said Legal said direction should come from Governing Body to the staff to implement such a program.

- Councilor Chavez asked if the amnesty program would be just for parking violations, or for parking and other agencies.

Mr. Romero said it would be just for parking. He said they could look at amnesty for other violations, saying they haven't explored that possibility.

- Mr. Romero said we lose 40% of ambulance fees, and some cities hire a collection agency. He said staff can bring something to the Governing Body directing staff to move forward, which would help.

- Councilor Chavez asked the rate of collection by a collection agency, and Mr. Romero said he is unsure what that would be.

- Councilor Chavez suggesting doing a cost analysis to do this, and Councilor Wurzbarger agreed.

- Councilor Wurzbarger said we are careful to pass laws in certain areas, but are just as careful not to offend people in making them pay the fines. She wants staff to look at this and provide options, noting privatization is one option to do this.

- Councilor Bushee said she just thought we hired an individual to do the ambulance billing.

Mr. Romero said this is correct, and they do the billing and they collect about 60% of what is billed, so we still are missing 40%.

- Councilor Chavez said it is either an amnesty program or hire a collection agency to collect past due fines and fees.

- Councilor Dominguez said in general, we need to try to collect as much revenue as we can when it is appropriate. He said staff could work on that throughout the year, and we need to ensure systems are in place to do this. He said some of the revenue collection is out of our control, and asked the costs of the enforcement officers.

Mr. Gurule said the total expense is \$489,392.

- Chair Ortiz said about two years ago we had people who were derelict with fines, and the City did a campaign to collect the top 10-20 people, and told them they were going to have their water shut off if they didn't pay the past due amount within 60 days. He said perhaps we need to generate a list of all of the auto licenses and then buy boots, and notify them if they don't pay in 30 days the City will boot their car. He believes people will come in if the car is booted.

Mr. Gurule said they are actively doing this right now, and Mr. Romero noted he saw a car booted on Water Street this morning.

- Councilor Trujillo asked how they determine to boot an automobile.

Mr. Gurule said the enforcement officers have hand held devices containing all of the scofflaws, and a threshold of \$500 or more has been established and those are boot eligible. He said staff calls his office to ensure there are no prior payment arrangements, and call the vehicle owner to verify that they own the vehicle. They call the Court to ensure there are no payment agreements. If there are none of these, then staff puts a boot on the car.

- Councilor Trujillo said we need to do something to collect these moneys, perhaps advertise on the Radio and in the paper which should be checked with legal, and at least get something. He doesn't know what the threshold for action would be.

Mr. Gurule said they have proposed a small fee increase to the rates at the parking facilities of 10¢ and he can hand that out now.

- Chair Ortiz said he can hand it out and we can discuss it later, and asked if it will be dedicated for a specific purpose.

Mr. Gurule said it will help to generate revenues, noting on the weekends they sometimes have to go to Albertsons to get coins.

Mr. Romero said the fee is being increased from 90¢ to \$1 per hour to simply it for staff.

Break 2:55 to 3:10 p.m.

G. GENERAL GOVERNMENT

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

1) City Council

- Councilor Wurzbarger asked, for clarification, on page 4 of 10 [Exhibit "16"] if the contract with the

Community College and the Comcast Fee share, are not for our own television show, but for the subsidy we give for Public Access Television, and Mr. Romero said this is correct. She said then we are including \$84,000 for Public TV and \$35,000 for public radio, noting the City is spending about \$100,000 for public information on which we have no input, and just subsidize.

Mr. Romero said one of these was cut last year.

- Chair Ortiz said the radio was cut to \$35,000, and Mr. Romero said this is correct, but we didn't cut Public TV.
- Councilor Wurzbarger would like to have a staff recommendation at the next meeting on the amounts for Public TV and public radio.
- Councilor Wurzbarger asked if we are still active in the National League of Cities, and Councilor Chavez said no.
- Councilor Wurzbarger said then the only membership the City has is the New Mexico Municipal League, and Mr. Romero said yes, and that is in the Mayor's budget.
- Councilor Chavez said he didn't request the City to pay dues for the National League of Cities, because he stopped traveling and attending the meetings.
- Councilor Bushee asked Councilor Wurzbarger if she is suggesting cutting Public Access TV and broadcasting public radio.
- Councilor Wurzbarger said she is asking for a clarification, and is open to discussion, noting we had this discussion last year and our financial situation is no better. She wants to be sure these are not funds for Public Access over which the City has total control. She said this is a subsidy, and we need to decide whether to continue that. She has no firm opinion, but commented \$100,000 in this budget is a lot of money.

2) City Attorney

- Councilor Bushee asked if the prosecutor has to be on contract.

Mr. Romero said this is the part-time contractor and is needed because Alfred can't do every case.

Geno Zamora, City Attorney, said, "Yes, we have one part-time prosecutor contract out there. This is a contract that has existed for several years, although the contractor is brand new. This is his first year in the contract, Michael Jones. Again it is part time, where he covers conflicts as well as maintains a minimum case load, because we have more cases than one prosecutor can handle."

- Councilor Bushee asked what fund pays this contract.

Mr. Zamora said, "It is paid, I assume, out of General Funds that come into the City Attorney's Office. It's out of my budget directly, and I'm funded by General Fund."

- Councilor Bushee said then you prefer to keep it as a contract.

Mr. Zamora said, "At this moment in time, in this budgetary condition, yes, I think yes. In future years, I may approach you about expanding either that role or others because we're stretching the attorneys pretty thin right now."

- Councilor Bushee said then there is no way to get it covered under the Municipal Court's prosecutor, and Mr. Zamora said, "That's correct."

3) City Clerk

Councilor Wurzbarger asked, regarding the previous discussion of the CVB, in regard to the mailroom, what happened to the positions which the CVB didn't need and Mr. Toler was trying to get them moved to the City Clerk's Office, and Mr. Romero said nothing was done and he is still considering this.

4) City Manager

- Councilor Bushee said she is glad to see two positions which won't be filled directly under the City manager, and asked if we expect any new hires for any of these, and Mr. Romero said no.
- Councilor Bushee asked that these positions be added to the City comparison sheet.

a) Risk Management

b) Constituent Services

c) Internal Auditor

H. CONVENTION AND VISITORS BUREAU

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Chair Ortiz said there has been talk of privatizing sales because we are hiring people, but there is no way to track the number of bookings, and asked Mr. Bradbury if he has thoughts on that.

Jim Bradbury, Director, said we don't need to do this. He said we have a good Director of Sales, Chris Madden, who has just returned, and they will be hiring another sales person. He said the tracking is based on the number of room nights generated, so that can be tracked.

- Chair Ortiz said then the performance measure for sales isn't necessarily bookings in the Convention Center, but rather rooms nights committed to, and Mr. Bradbury said it is both.
- Chair Ortiz asked the number of bookings two years out.

Mr. Bradbury said he doesn't have that figure with him, but there are a lot of bookings for 2012 and beyond.

Mr. Romero said he has been working on this for a while and a lot of things weren't booked, commenting it wasn't tracked very well. He has charged Mr. Bradbury with doing this tracking. He said since Ms. Madden came back, she booked one large event, 3,000 room nights for 2013. He is working on developing performance measures in terms of room nights. He said we can look at it three ways: (1) trying to bring people back; (2) leads for people who don't use the Convention Center, but have a convention and only need a hotel, and we give information to a hotel so they can book it; and (3) thirdly, and more importantly it is the booking of conventions which puts "heads and beds," in the City, which is the most important things we will ask our sales staff to do.

- Chair Ortiz said the last time he looked at this was when Gary Ellard was still alive, and he trusted his judgment and knowledge in the industry, and Mr. Ellard told him when you are tracking sales, especially for conventions, the window is really two years out. He asked if we can do anything now with existing staff, or new staff, with the window of 2013 and beyond.

Mr. Bradbury said for our size we are looking at booking conventions with 500-600 rooms per night in the City, and we still have the opportunity to book the smaller conventions and recover for 2012, which he intends to do.

- Chair Ortiz asked if it is the practice at the Convention Center for a local group that wants to book an activity for a particular day, to be told, "We'll book you and take your deposit, but you're on hold in the event we get a bigger event to take that space." He asked if this still a policy.

Mr. Bradbury said he doesn't know that this is a policy. He said they are using a 10 month window to book business for the local community which doesn't involve rooms or other things.

- Chair Ortiz asked if there is a way to tie-up Convention Center books for local events, and to give local preference for local organizations booking meeting rooms for local events.

Mr. Bradbury said most of the local events are wedding, proms, high school graduation parties and such.

Mr. Romero said they really are looking at the rules, and he has asked Mr. Bradbury, when something is booked, for the number of people staying here, the value in Lodger's Tax and the multiplier for economic impact. He said if it is local and you are bring 300 people from out of town to stay, we need to look at that differently from a local event which won't fill one hotel room. He said there is a group which is looking at all of the rules so we can maximize the use of the Center.

- Chair Ortiz asked if this is the group that hired Keith Toler, or if it is a different group.

Mr. Romero said it is a group of mostly local hotel and sales people with experience in booking events, and it isn't composed of restaurant or gallery people, or other businesses. This group has experience in sales and conventions.

- Chair Ortiz said this is the second year the General Fund will have to supplement the Lodger's Tax to pay for the Convention Center.

Mr. Romero said the Convention Center has its own cash balance it will dip into – the Lodger's Tax Fund balance, and we don't have to dip into the General Fund so far for the Convention Center.

- Chair Ortiz asked the number of years the fund balance will continue to pay the debt service.

Mr. Romero said there is \$2 million in the fund, and we need to subsidize about \$400,000.

- Responding to Councilor Bushee, Ms. Raveling said the \$2.4 million was for landscaping, but those balances can be used for operational, noting these are bond funds which should be used for fixtures and such.

- Chair Ortiz said the Gallery Manager still is listed on the organizational chart.

Mr. Romero said we are thinking about using the Gallery more effectively this year, and maybe moving the Visitors Center from its current location into the Gallery. He said the Gallery Manager has a planning background, and will be funded for this year out of the College of Santa Fe Fund. He said we were going to hire a contractor to look at the artwork at the College to inventory, log and catalog the items. He said the Gallery Manager will be doing that this year, and it will be cheaper to pay him than to hire a contractor. He said they are looking at using the space more effectively, and using Visitors Center staff to help man the Gallery so we can use our resources more effectively.

- Councilor Chavez said there were some demonstrations at the Gallery which were great and some of the artists got paid for their demonstrations. He thinks artists and craftsmen could be scheduled to do a demonstration at the Gallery for a day or a week, and instead of paying them, we could reduce the commission they would pay on sales, and they could help staff the Gallery. He said no one can "sell your work better than you, and people like to see people doing the work they do on a traditional basis."

Councilor Chavez said we talk a lot about the history, the culture and buying local, and we have a local cottage industry which is ignored for the most part. He welcomed Mr. Bradbury back to Santa Fe, noting he and Mr. Bradbury go back to OTAB days.

- Councilor Chavez asked if Chris Madden still under contract or if she is an employee, and Mr. Bradbury said she will be a full time employee.
- Councilor Chavez agrees with Councilor Ortiz that we are contracting more and more out, but we don't always get a good return on the money, commenting we need the right people when we are selling Santa Fe. He said we need to be authentic and accurate in how we promote the City of Santa Fe, commenting we miss the mark on that at times.
- Councilor Bushee asked if the person running the Gallery will do the Art appraisals and such at the College of Santa Fe, and Mr. Romero said yes.
- Councilor Bushee said there is a balance in the Gallery Fund of \$78,000.

Ms. Pratt said there is a cash balance, noting they deposited funds from the 1% Lodger's Tax to make the budget work the first and second year. She said the problem is sustainability, because there aren't sufficient funds to keep pouring money into it, and the sales of art have not helped to pay for the operation as thought. She said the College of Santa Fe Art collection really needs to be documented and conserved as a community resource, and this is the reason we took ownership when you approved the sale. She said they have the software to document the collection appropriately and appraise it, and put it on line so community members can see what is in the collection. She said perhaps we can do things in terms of exhibits and such.

- Councilor Bushee said then there is no plan to sell any of the collection.

Ms. Pratt said this is correct, and unless the Council gives different direction, the staff presumes it is not for sale.

- Councilor Bushee said then this person will be using Gallery software to do this.

Ms. Pratt said yes, that will be half of his job and the other half will be programming exhibits. She said Councilor Chavez's idea about artists doing demonstrations and selling their work themselves is a good thing to put into the mix.

- Councilor Bushee said it was never her understanding that the Gallery was to be self-sustaining, and asked if this is the premise.

Ms. Pratt said it isn't the premise set up by the Council, and yet they didn't have a funding source available to make it work.

- Councilor Bushee asked if there is a plan to help it to be self-sustaining. She is looking at the

contracts under the Civic Center Visitor Center Arts & Culture, and there are \$250,000 in contracts for various things. She asked if funding could come from the 1% of the arts in public places funds.

Ms. Pratt asked if she is speaking of the 1% Lodger's Tax or the 2% for art in public places.

- Councilor Bushee said, "Yes. That one, and/or take it from the cash balance for the Convention Center. I'm just looking at things and wondering... and not much of it is for the Gallery, but you have almost \$100,000 of the artists contracts... I assume all of this is related to the Civic Center itself."

Ms. Pratt said no, that list is for everything within the Arts Commission budget.

- Councilor Bushee asked if it falls under the description of Civic Center and Visitor Bureau.

Mr. Pratt said it is there because it is under the Department of the Civic Center's Bureau.

- Councilor Bushee asked if everything is funded by the 1% or 2% for the arts, and Mrs. Pratt asked if she is speaking of the list, and Councilor Bushee said yes.

Ms. Pratt said it almost is, but there is one with an asterisk which is the Special Uses One Time Events Lodger's Tax. She said some of it is the Art in Public Places funding, which is a mixture. She said, regarding 32708, the \$100,000 is what is left from the last bond issue.

Ms. Pratt said the contracts with 22103 are 1% Lodger's Tax, 22753 is for one time or special use Lodger's Tax, the 22819 is the Arts Education money from the Quality of Life, and the 52104 is the Gallery Fund.

- Councilor Bushee asked if it has to come from Quality of Life Fund.

Ms. Pratt said this is something they've been doing for many years with Quality of Life funds, which is to bring arts education to children in Santa Fe Public School. She said these funds are narrowly defined because they are Lodger's Tax and Capital Improvement funds.

- Councilor Bushee asked if the Gallery sustainability could fall under any of those funds.

Ms. Pratt said they have reduced the Gallery Budget as much as possible, and it is funded from a combination of a State grant, the Monte Sereno Arts and Crafts Incubator money, the 1% Lodger's Tax and sales of work in the Gallery. In the next year, it will be a combination of the Monte Sereno Arts and Crafts Incubator funds which is justified because they are doing educational things to help artists develop their business, and the College of Santa Fe money Robert spoke about.

- Councilor Bushee asked if there is a long term way to keep this going, and if they plan on the Gallery being able to sell art.

Ms. Pratt said, realistically, it has proven to be difficult to sell art for many reasons, including the economy as well as that it is a City governmental entity.

- Councilor Bushee said then we'll have to keep piecing it together.

Ms. Pratt said yes, and she raises a good question. It is hard to sustain it and she is unsure what they will do next year.

- Councilor Chavez said lots of cities have a Community Gallery.

Ms. Pratt said she has hopes of obtaining more grant funds. She said for several years they have received a grant from the State Arts Division which is \$8,000 annually. She said this year they applied for a NEA grant, but it was rejected, but she is hopeful that could come through next year. She said they also were turned down by the McCune Foundation. She said many times there is a turn-down the first year, but with changes in the application, there is a better chance for the next year.

- Councilor Bushee said, with regard to contracts, the ones that stand out are the \$165,000, and the website services for \$133,500.

Mr. Romero said those are ongoing contracts, and we are going into the second year of a 3-4 year contract, and those were vetted strongly with OTAB,

- Councilor Bushee asked if we use Studio X for all of our website contracts, and Mr. Romero said no, they just do santafe.org.
- Councilor Bushee asked if there is a possibility of consolidating contracts or having our own webmaster at this point, saying our general website isn't as functional as it can be. She isn't saying don't contract out, but "I'm kinda wondering about it."

Mr. Romero said he and Mr. Bradbury will be looking at all of the contracts, and in 2-3 months will come back with a better understanding of these contracts.

- Councilor Dominguez asked which contracts are revenue-generating. He said the Visitor's Guide distribution is \$4,000, and asked how much business we expect to get out of that. He asked if public relations are factored into some of these contracts.

Mr. Bradbury said yes, and he can get those figures for the Committee.

- Councilor Dominguez wants to see how much revenue will be generated from these efforts alone.

Mr. Romero said he recently looked at all of these contracts, and they all have deliverables, and he has asked the responsible staff persons to get a report from each of the contractors.

Mr. Romero said has asked Mr. Bradbury to try to quantify what we get, for example, from an \$80,000 travel budget. He said they will do what they can to get this information in a form we all can understand.

- Councilor Dominguez said at the Civic Center, there are things such as dishwasher chemical services, grease trap cleaning and such, and asked if these costs are paid out of rentals.

Mr. Romero said when we collect the revenue which fund all of these expenses, it comes from Lodger's Tax and fees for using the center, so you could say this is happening. He said all revenues for the use of the center go into a pot, in addition to the Lodger's Tax, which is used to pay expenses.

- Councilor Dominguez said at times people try to book the Convention Center, but are limited as to who they can hire for certain things, which increases the cost and they are unable to book.

Mr. Romero said they are looking at the booking policies to see if we are "doing it smart." He said at times, the security required seems a little extreme and he is look at that to make sure it makes sense for the people using the Center, and the time they are using it. He said the rules are very stringent and they can't use any discretion. He is working with legal and risk in this matter.

- Councilor Dominguez would like to see an estimated figure of the revenue which will be generated from these contracts. He wants to be assured that public relations and the Visitors Guide are bring business into the City and the Center. He asked what is Rolodex Service, noting the cost is \$3,800, commenting something like this may generate some revenue.

Mr. Romero said he doesn't know, but he can find out, and come back to the Committee.

- Councilor Trujillo welcomed Mr. Bradbury. He wants to know where Mr. Bradbury will be doing his advertising. Councilor Trujillo said he travels a lot and people see a howling coyote, or boots stuffed with flowers and say, "Oh that's so Santa Fe." He said this isn't Santa Fe to him. He said a few years back some of the advertising on the bus was a naked woman covered in flowers telling people to come to Santa Fe, which doesn't say to him to visit Santa Fe. He asked Mr. Bradbury how he will get people to come to Santa Fe and use the Convention Center.

Mr. Bradbury said the new agency doing the advertising is now 10 months in, and is a cutting edge agency. He said a big percentage of our advertising dollars are going to the new age marketing – the internet, the social media and such. He said the ads are geared toward our culture and the arts and what Santa Fe is all about, noting the cultural tourism currently is considered one of the largest draws in traveling segments in the country, and that is "one resource we intend to attack" for the individual traveler. He said groups are interested in coming here because it is a different place unlike any other in the country because of our uniqueness, in terms of the culture and the arts. This is what is what is being promoted currently and will continue to be promoted.

- Councilor Trujillo said we do have organizations in this community and this is the reason we named it the Santa Fe Community Convention Center, and although he wants to see business come into Santa Fe from the outside, at the same time he wants it to be affordable for people in the community and not out of reach. He said Alumni Hall at the old College of Santa Fe is pretty much gone, and he wants to be sure we offer this Community Convention Center to the people of the community so they can use it for local events. He said last year Santa Fe High and Capital High were able to have their banquets there.

- Councilor Trujillo said, as Councilor Ortiz said, it is "a bummer," when a local organization or person books an event, but is bumped for something bigger and better that may come along. He said this is not fair, especially to people who have booked space a wedding or graduation a year out and then get bumped. He wants to make sure that this doesn't happen in the future.

Mr. Romero said they are trying to be very very flexible in the 10-month window, and during 8:00 a.m. to 5:00 p.m. working hours, reiterating that he and Mr. Bradbury are looking at all the rules, and should be coming back with new rules. He said they are using staff wisely and, in accordance with the union contracts, and are adjusting working hours accordingly so that we don't have to pay overtime. He said we want to be sure the facility is used if we're paying our staff to be there.

Mr. Bradbury said he wants to be responsible to the community as well to the fiscal responsibility, so it is a balancing act, but he wants "to have fairness in all that we do."

- Councilor Chavez said it always has been a balancing act. However, the City employee Christmas party was held at the new Convention Center for only one year, and then they got a better deal at Buffalo Thunder, so we we're going to be competing with our neighbors as well.
- Councilor Chavez said, in discussing the Community Convention Center, we want to have a local need, which was his intention for advocating for the Community Gallery. He said it was not only to generate revenue, but to promote the history and culture of Santa Fe and to provide a venue for those who have not been represented in the local galleries. He said there is a large segment of the local population, artists and craftsmen, which still are not represented in the downtown gallery system. This is another reason he was hoping that this Gallery, even though it is part of the government, would provide that for a large segment of the population. He said other cities do that, and he wants to keep the Community Gallery in place.

Councilor Chavez said the Community Gallery is a good way to interface with those who come here, noting we have a wealth of talent in Santa Fe, which can be presented at the Gallery. He said we don't have to fabricate anything or pretend it's real, because we have the history and culture to demonstrate that we have is something different from all other parts of the country. He hopes Mr. Bradbury can embrace this and work with the groups using the Convention Center, with the Arts Commission and the local cottage industry to get that synergy going because we have the space to do it, but we're just not making it happen.

- Councilor Chavez said a survey was done of convention visitors, asking their interests, and they said they are interested in hand made items and that was 5-6 years ago. He said what we're making, we're not promoting.
- Councilor Wurzbarger said, through the website for the Spring event programs, we have been able to link 150 artists not represented in the galleries, via the website to show their work in 4-5 hotels in Santa Fe, because the gallery space was being used for gallery functions. She asked if the economic benefit to the artists using this venue was the same as if they were using gallery space.

Ms. Pratt said from July 1, 2010 through today, the artists have made about \$25,000. She said they are booking workshops through the website, and at least one artist, through the Inn at Loretto, booked a family to come to a workshop the next day.

- Councilor Wurzbarger said if the gallery space were opened for the original concept for that space, which are on-site demonstrations, she believes it could do what we originally intended.
- Chair Ortiz said he will put Mr. Bradbury on the agenda to present the marketing plan at the first meeting in June, and asked if it will be ready by then, and Mr. Romero and Mr. Bradbury said yes.
- Councilor Chavez noted there is \$20,000 for a Creative Cities website, workshop, events, and \$10,000 for art installations, centennials, storefront projects, and said he would like to know more about that. He said there is another \$35,000 in the Community Arts Programs, Arts Non-Profits, contracts for Artists/Designers and Creative Cities Exchange is another \$30,000. He said there is \$800 for stipends for artists demonstration. He said some of these could be revisited, and doesn't know if the \$800 for artist stipends is needed, and wants more detail on the other expenditures.

Mr. Romero said he will ask Ms. Pratt to do a few words on each of the contracts and provide it to Councilor Chavez.

I. FINANCE DEPARTMENT

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Councilor Ortiz asked if we fixed all of the IT problems we had in the Finance Department with our system, and Mr. Romero said it is working a lot better.
- Thomas Williams said it is stable, and functioning well, and they are running the payroll in record time, noting the people in payroll did really good work stabilizing the process.
- Councilor Bushee said a position was filled position under IT, noting initially we were talking about bringing someone in to evaluate the whole system.

Mr. Romero said a position was created versus contract which is being advertised, and Mr. Williams said this is correct.

Ms. Raveling said Councilor Bushee was asking about an overall evaluation of the system, and Mr. Romero said no one was hired to do that, although they are working on this.

Mr. Williams said they had a network security assessment and asked if this is what she is referencing, and Ms. Raveling said yes. Mr. Williams said that has been completed.

- Councilor Bushee asked if any of the work Mr. Romero has done since he took over IT has resulted in savings or efficiencies.

Mr. Romero said they have netted some savings. He said currently they are working on a new utility billing system, and found a new company who will do it for a tenth of the price we thought, and asked Mr. Williams to speak to this. He said we think it will result in future savings.

- Mr. Williams said in this FY there is about \$100,000 in savings on the IT contracts, noting what we are doing with this company is unprecedented, and the first step toward integrating all of our systems in terms of utility billing, finance, H.R., payroll, community development and the Municipal Courts. He said the contract is somewhat of a pilot, and if it works, they are implementing a full blown utility billing system for \$50,000, which normally cost \$1-2 million. He said we are "swinging for the fences a little bit," but we've done our homework and due diligence. He hopes this works out, because if so, it will result in a huge savings going forward.

- Councilor Bushee noted the contracts for utility billing are in the range of \$4 million for all 3 utilities, and if he will save money there.

Mr. Romero said we expected to spend \$2 million to get a utility billing system up and running and this company is going to get it up and running for \$50,000 for an annual maintenance cost of \$10,000, with expansion into other systems. He said this is a pilot project, and if it works, it will save us big money in the future.

Mr. Romero said Mr. Williams is going to use Google.Apps for all of our Microsoft Word and lots of companies are doing this, noting he believes there is great promise in that, and we are starting a pilot project on that as well.

- Councilor Bushee said we discussed a big savings at one time with the phone system, and Mr. Williams asked if she is referring to the fiber project which will save money with Qwest. Councilor Bushee said she is speaking of our contract with Qwest.

Mr. Williams said last year we thought we were finished paying for that phone system, but it turns out, with an oversight on his part, it was a capital lease, a true lease, which means once we made

the final payment we had a few options. One, is to release what was remaining on the fair market value, or pay it outright, so he had to find money in other IT accounts to pay for that in the past fiscal year.

- Councilor Bushee asked if we have a new lease or option that is cheaper, saying she understood we were paying double.

Mr. Williams said she is talking about a different issue which is what we are charged by Qwest for our access to dial tone and long distance access. He said the telecom specialist has been auditing that all year, and he can return with an analysis of the savings, noting we have been saving money.

- Councilor Bushee wants him to get rid of the line in her office because she never uses it, and Mr. Williams said he will do so.
- Councilor Bushee asked, in general, if we are saving money on phone service, and Mr. Williams said yes.

Mr. Romero said there is \$300,000 in the gap reduction projected for contracts which are done by Mr. Williams, so we're trying to shave everywhere possible.

- Responding to Councilor Bushee, Mr. Romero said last year as part of the gap saving, we were going to move positions we didn't need in the General Fund to enterprises, and one of the positions went to Water and the other Wastewater. He said he wants to fill the 4 vacant positions as soon as possible.

Ms. Raveling said her argument to keeping these positions, is that Finance has had no increase in staff in 20 year, everything has become more complicated, and the City Manager has been good about allowing them to fill positions as they become vacant, which includes the Payroll and Financial Analyst.

Mr. Romero said those were brought to the Council to fill as critical positions, agreeing Finance hasn't had an expansion in years and years, these positions are very critical.

- Councilor Bushee said money has been spent for years on software that didn't work, and she recalls those requests.

Mr. Romero said the payroll system is working effectively, noting there was heartburn with some of those systems and he knows a lot of money was spent, but everything seems to be operating well today.

- Councilor Bushee asked what happened to all that software, and Mr. Romero said we made it work.

Responding to Councilor Bushee, Mr. Romero said he is planning to fill the 4 positions very soon.

- Responding to Councilor Bushee, Mr. Romero said the maintenance contracts are embedded.

Mr. Williams said there are lot of maintenance contracts, and the IT contracts would be under that, noting there is one for GIS for escarpments and the IMS.

Responding to Councilor Bushee, Mr. Romero said there are other maintenance contracts, but those aren't covered here [Exhibit "16"], and he can provide that list.

Ms. Raveling said those on the list are Professional Services Contracts, and there are a lot of maintenance contracts.

- Councilor Bushee said she wants to see all contracts so she can see where we can consolidate and eliminate contracts, but she may be the only one that wants that information.
- Councilor Bushee asked Mr. Romero to add Finance and IT to the City comparison list, and Mr. Romero said he will do the best he can.

J. FIRE DEPARTMENT

A copy of packet of information distributed by Chief Salas, is incorporated herewith to these minutes as Exhibit "17."

Chair Ortiz asked Chief Salas if this is the very good summary she did at Finance several meetings ago.

Chief Salas said no, it is additional information.

Chair Ortiz said, "When we had that Public Safety discussion, I can tell you that the Fire Department cleaned the floor in terms of the preparation and the information that was presented, as opposed to the Police Department. The amount of information that was given, there was like there was no question, and they answered all of the questions in advance of them being asked, so thank you for that Chief."

Councilor Bushee noted that neither Chief Rael nor Deputy Chief Alessio were in office at that time.

Chief Salas reviewed the information in Exhibit "17." Please see Exhibit "17," for specifics of this presentation.

Chief Salas noted she handed out a more accurate City comparison for Fire, noting Los Alamos is the only other municipality providing ambulance transports.

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Responding to the Chair, Chief Salas said the ARF station at the Airport isn't counted, because it can only serve the Airport, which is the same as Farmington, noting the ARF is staffed with only two people, 24/7.

- Councilor Dominguez asked how much the vacancies cost the City in overtime, or are they resulting in overtime costs.

Chief Salas said all vacancies result in overtime cost, noting she doesn't have that amount, but she does have the vacancy savings.

- Councilor Bushee asked if the plan is to fill the vacancies, and Chief Salas said, "Absolutely."

- Councilor Bushee said these aren't considered to be vacancy savings.

Mr. Romero said to be clear, any vacancy savings goes to the credit, and we can't use those to fill any gap because there already is a vacancy savings City-wide that we have to meet, but there will be a savings next year by not filling the two battalion chief vacancies and we are taking credit for next year.

- Chair Ortiz asked if we can purchase capital equipment from bond proceeds.

Ms. Raveling said yes, noting bonds proceeds have been used in the past to purchase equipment.

- Chair Bushee asked if the Department receives Homeland Security Funds and such for Wildland fire.

Chief Salas said they apply for every available grant, and currently they have the Youth Conservation Corps which allowed them to hire 10 temporary employees, but these are temporary employees and they are young and don't have a lot of experience. She said to be able to move forward, they need an actual crew to be hired full time.

- Chair Bushee asked if she can get more money.

Chief Salas said unfortunately, they haven't received any money yet for the Wildland Fire Program, noting they have a lot of applications in and are waiting to hear back.

- Councilor Dominguez said there are Fire Department consultants on page 4 [Exhibit "16"] under the City Manager, not the Fire Department.

Chief Salas said those were moved to Risk because it is a risk issue, noting they moved the medical director as well as the pharmacist which was done last year.

- Councilor Dominguez asked if these are funded from the City Manager's budget, and Mr. Romero said no, it is funded from Risk which answers directly to him, and actually is a division.
- Chair Ortiz said it is a risk and safety issue and there are funds in Risk.
Chief Salas said the money was transferred from the Fire Department to Risk.
- Chair Ortiz said this is the Fire Department having to pay Risk for this, which is different.
Mr. Romero said the contracts are with the Fire Department, but are paid under Risk.
- Councilor Dominguez said then the number isn't for services across the City it is just for the Fire Department and Chief Salas said yes.
- Chair Ortiz said then for both Police and Fire, because there are balances in the Fire and Police Funds, that fund can pay for the contracts which are provided for Public Safety which would keep more resources in both Departments, noting the cost is about \$250,000.
Mr. Romero said that could happen.
- Councilor Bushee asked if the plan is to allow for the capital improvements requested by the Chief.
Mr. Romero said if there are funds in the cash balance, the budget could be adjusted, or those could be brought forward later in the year.
- Responding to Councilor Bushee, Chief Salas said those are listed on the sheet for the capital improvement plan, and there is an amount for each request, but she doesn't have a total, noting they are listed in the order of importance.
- Councilor Bushee said she introduced a Resolution last night to ask the County to slow down the annexation initiative. She understands the concerns about annexation. She said if annexation was not a concern, if the priorities go down in ascending order, and Chief Salas said yes.
- Councilor Bushee thought something was done on the training facility, and Mr. Romero said this is correct, but it was converted to a Police or Fire Station later.
- Councilor Bushee asked if the Fire Station in the NWQ is needed without the buildout of the NWQ housing.
Chief Salas said this was done a year ago when it was thought annexation would be moving forward in that direction.
- Councilor Bushee asked if the NWQ Fire Station will go down in priority on the list if we actually don't build out the City portion of the NWQ.

Chief Salas said they would look for a different location, but if the City moves forward with annexation they would need to move forward with a station.

- Councilor Bushee said, presuming the Chief doesn't have to worry about annexation...
- Chair Ortiz said his opinion is the Chief should keep her level of priorities.
- Councilor Bushee said when she hears about mold issues, and people having health issues, this would be her top concerns, and Chief Salas said Fire Station #4 is the top priority.
- Councilor Bushee asked about the Fire Museum, and Chief Salas said that is at the bottom of the list.
- Councilor Bushee asked about the other two fire stations.

Chief Salas said she has the same concerns, noting the other stations will need new roofs and upgrading and those are remodels, and there are no other new stations other than the annexation stations.

- Councilor Bushee asked if vehicle replacement is an issue.

Chief Salas said vehicle replacement is a necessity, and that will have to be done in the next fiscal year, and she has budgeted for that already.

- Councilor Bushee asked if there are other equipment needs.

Chief Salas said they are moving forward with the Wildland Urban Interface Program, she would just ask to keep the cash balance so they can move forward with some of the things on which she currently is working.

- Councilor Bushee asked Chief Salas if she can fill the vacancies quickly.

Chief Salas said they are working on this and thinking of doing a lateral academy to get people hired more quickly without paying for a full academy which is expensive and takes a lot of resources. She is looking at those options and will be meeting with human resources.

- Councilor Bushee asked how we get firefighters to live in Santa Fe, noting there is housing available.

Chief Salas said works closely with Homewise, and all firefighters are required to attend the Homewise presentation, and they work very hard to get them to move back.

- Councilor Bushee asked if anyone is working with the City's Affordable Housing on the program for public safety officers, saying it hasn't been very successful.

Chief Salas said that is the Homewise Program.

- Chair Ortiz said if all the firefighters are going to Homewise, is Homewise reducing the administration fee for all the Firefighters who attend the training.
- Councilor Bushee said her question is whether the program is working.

Chief Salas said she was told at the grand opening off Old Las Vegas Highway that two firefighters came forward.

- Councilor Bushee reiterated again that she wants fire and police to live here, and asked for statistical information.

Mr. Romero said he has asked Ms. Gage to work with the Fire Chief and Police Chief to see how, during the recruiting process, we can get more officers to live in Santa Fe.

- Councilor Bushee said we need to look at the existing program, and if it isn't working we should get rid of it and start something else, and Mr. Romero said yes.
- Councilor Bushee thanked Chief Salas for her presentation, and Chief Salas said she has a little more to permit if she can continue.

Chief Salas said she would like Committee approval to move forward with her proposal to look at generating more revenue through engaging a collection agency to collect unpaid ambulance fees to generate more revenue.

- Councilor Wurzbarger said, "I would agree to everything you said, and support what you are proposing, and thank you for hard work and your team."
- Chair Ortiz said he would support her efforts, even on the capital improvements, but the question is how to get the capital improvement plan in a manner that the public would support all of the items on the list, noting he thinks a smaller list might be supported.
- Councilor Chavez said the Chief asked for direction or support for the Collection Agency Fee Agreement. He said we discussed this earlier, and asked if we want this to "jump out ahead of all the others, and give the Chief approval."
- Chair Ortiz said it is on the list of recommendations to close the budget gap, and told Chief Salas he is hearing is no opposition to this request, which means we are going to adopt it, and then we'll have some sort of one-year review to ensure that the funds are coming in as discussed.
- Councilor Bushee asked Chief Salas if it is possible to save the \$300,000 in overtime, and Mr. Romero said they did save \$300,000 this year and he believes it is possible to do the same for next year.

K. POLICE DEPARTMENT

The members of the Committee and other members of the Governing Body in attendance commented and asked questions as follows:

- Chair Ortiz said we heard a number of questions on the Police Department last night and asked if the Committee has further questions.
- Councilor Dominguez said on the contracts, there are two contracts with Redflex, one for – \$250,000 for Red Light Camera Program Administration, and Red Light Camera Program State Share which is \$120,000 for a total of \$370,000 which is paid by the City. He asked how much safety has this money has bought for us, and how does it relate to the policing and staff. He said part of the premise was that with this technology we wouldn't have to have so many officers doing this, and asked what that has bought the City.

Chief Ray Rael said his latest figures show a net profit, July 1, 2010 to March 30, 2011.

- Chair Ortiz said this is the year to date amount which has been recovered. He said in the public presentation, noting Chief Rael and his command weren't part of that, the proposal was to add a second speed enforcement van which is the \$125,000, and the numbers indicated we needed a review to see how much more revenue could be produced from those enforcement vehicles.
- Councilor Dominguez said this has been billed as a way to promote and provide additional safety in the community, and he wants to be sure this amount is paying for that safety. He asked if we are having to pay more than the City is receiving, noting "I want to make sure I get it straight."
- Chair Ortiz said he understands, as structured, there is a contract amount we have to pay and after that we have to pay a percentage to Redflex, the State gets half and we are left with 25% of the ticket cost and the balance comes to the City, and Chief Rael said this is his understanding of the program.
- Councilor Dominguez asked then why do we have a contract amount of \$250,000.

Mr. Romero said we end up paying Redflex \$250,000 from what we collect, the State gets \$120,000 and the City keeps \$250,000. So the \$250,000 on the gap sheet is the City's, \$250,000 goes to Redflex and \$120,000 to the State, so we actually collects \$670,000.

- Councilor Dominguez asked, then how are we measuring that against safety.

Chief Rael said he is unsure there is a way to directly measure the safety. He said it is evident that it is a deterrent to speeding when the van is in the area, but he is unsure there is a direct way to measure the correlation at this point.

- Councilor Dominguez asked if we are going to develop one, or does Redflex have a way. He said

we need to be able to prove to the community that there is a safety benefit. He said just to say it is safer by slowing down one person, we might as well make everyone wear helmets in their vehicle. He thinks we need to be able to measure that, if this is the premise.

- Councilor Bushee said studies have been done of the Albuquerque program which are new and available.
- Councilor Dominguez said studies have been done in other states and cities as well. He said it has been said, not by the current administration, that this will make our streets safer and again asked how we can measure that.

Deputy Chief Alessio said, as discussed at the Public Safety Committee the other night, in terms of quantifying the success of public safety programs, studies have been done, and we also have data from Redflex and we can quantify it as a differential equation over time in terms of how many clicks we have on any specific speed van at any time. It is quantifiable and we can generate that information.

- Councilor Dominguez asked if these things are going to be done in-house, and we won't need to hire someone to do the analysis.
- Deputy Chief Alessio said we pay Redflex and they do collect the data, and we work with them to generate that data and correlations, and we would rely on them because they are under contract.
- Councilor Dominguez said the issue with that is that Redflex is providing that data to justify its existence, and asked if we have internal checks and balances on that. He asked if the Department will be taking a hard look and disseminating the data to be sure there is a public safety component.

Deputy Chief Alessio said they can look at it.

- Councilor Dominguez asked if we will have to hire a third party to audit their data in correlation with ours, because this is what has been done in other communities. He said in other communities it is the same progression. The community is sold on safety, the public entity purchases it on that premise, and once money starts to flow, the organization doesn't have the expertise to disseminate that data, so the vendor, Reflex, recommends bringing in a third party to look at this and it ends up costing more.

Deputy Chief Alessio said it is tough to say whether or not we would need a third party provider or auditor to check the data, because we haven't done this process internally. She said what they can do internally, we provide that answer, and at some point a third party may be needed.

Mr. Romero said in most of the locations where the speed vans are placed, such as Bishop's Lodge Road, are at places where we have done "speed study after speed study," we know that the 85th percentile is way up there. He said another thing we could do independently is to ask our Traffic people to do speed studies. He always slows down, for example, when passing E.J. Martinez

School, because he knows the van is there. He said we could compare the new studies with the old ones to see if people are slowing down. He said it isn't scientific, but it is a reasonable way to look at whether or not this is effective.

- Councilor Dominguez said that is fine as long as it won't cost us additional funds.

Mr. Romero believes this can be done with existing staff where previous studies have been done in areas where we've had speeding problems for years, which is where we've been placing the speed vans.

- Councilor Wurzbarger welcomed Chief Rael. She asked if he can please confirm his commitment, as the new leader, to the goal we have as a council to hiring people who live in Santa Fe, noting it would really help with the economic drain it causes on the community, not just in terms of gas and a car, but when people don't live here, they don't buy goods here. They don't shop at Kaune's and take the goods to Albuquerque, for example. This has been an ongoing issue.

Chief Rael said, wherever possibly, he fully intends to hire individuals locally, but he can't guarantee it because of the nature of the requirements and qualifications for a police officer. He said there is the interest and qualifications and stringent background check, psychological and physical requirements, and other requirements. He said we aren't seeing a local pool of interest applicants. He said any local, qualified applicant certainly will be considered.

- Councilor Wurzbarger asked him if he has ideas for helping us to promote the housing we do have in Santa Fe, either through incentives, or perhaps a "bounty for coming on home, a significant bounty." And they don't have to spend it on a house, because in a year we would get that money back.

Deputy Chief Alessio said the vehicle take-home policy is tangential with this. She has worked with Homewise for the last 4 years. She said they have considered ideas such as incentivizing the people who do live here, and what incentives would be cost effective in terms of a property tax decrease.

- Councilor Wurzbarger asked Deputy Chief Alessio if she has any ideas.

Deputy Chief Alessio said she does and she can get her notes and ideas to her.

- Councilor Wurzbarger said she would be interested in working with her on those ideas. She said if you look at the analysis which was done for us on the loss of money to the community, we could give a \$10,000 or \$20,000 bonus to people to come back and we would make it up in a year for a family of 4. She said this might sound pretty good to people in this time. She said Albuquerque's sales prices are now more equivalent to ours. She would like to sit with Deputy Chief Alessio and discuss her list of suggestions to build on the commitment you say you have and see if we can make this work.

Deputy Chief Alessio said she doesn't know about getting people back. She said there are 20 people currently undergoing background checks to fill vacancies. She said we can direct our efforts to the new people coming on board.

- Chair Ortiz said the Deputy Chief mentioned the vehicle take home policy which has been bandied about for years. He said perhaps we don't need to look at the vehicle take-home policy, because we already have a policy allowing for a maxim of 40 gallons of gas per week per officer. He said if this was enforced, his sense that some of the vehicle use currently would be reconsidered, and it would be a matter of personal discretion.

Chair Ortiz said the bargaining units pointed out to him, in their own contract, there already is a management tool in place to deal with this issue, and it just needs to be enforced. He said Chief Rael and Deputy Chief Alessio are new and it is a new slate for them, in terms of some of the things we've been hearing about that issue from the previous Chief and the one prior to him. He doesn't know what would be involved to regulate or enforce that, but it is a current requirement that we pay only for 40 gallons of gas a week, and anything above that is the responsibility of the individual officer. He said that might be the tipping point for personal financial decision between staying here or continuing to live in Rio Rancho. He is unsure how to get people back here, because there may be issues of equity in their mortgage because of the economy, and because our schools aren't in great shape. He said this is also an issue for our partners in the community, in particular the schools.

- Councilor Bushee would like to know how well the bonus incentive program worked, but her assumption is that people didn't stick around very long.

Deputy Chief Alessio said it worked quite well and they were within filling all vacancies. She said the bonus program was fantastic. She said quite a few stayed with the Department. She said with regard to the \$10,000 given to the 10 lateral hires they lost only two, one with a disciplinary issue, and the other was a family issue that put him back in Albuquerque.

- Councilor Bushee asked how many of the 10 live in Santa Fe, and Deputy Chief Alessio said she would have to research that, but she estimates less than half.
- Responding to Councilor Bushee, Chair Ortiz said he believes the 40 gallons of gasoline is for a 40 hours per week, or it could be per pay period. He said the historical problem is that there wasn't a sufficient mechanism to track this information, and reiterated this information was provided to him by the union.

Chief Rael said they have looked at this, and some of the issues deal with our ability to track the use, and said it also is broken down by assignment – 40 hours per week for a patrol officer, while non-patrol officers get less. He said the issue will be tracking and determining we can stop it at that point, and how to verify it, without assigning 1-2 people to do nothing but track it when there are other roles and functions they can fill.

- Councilor Bushee said since this is a bargaining right, she thinks Chief Rael should work with legal to see how this can be applied to new recruits. She said it needs to be coordinated with a housing program, which could be part of the incentive.
- Councilor Bushee said she is grateful that we aren't funding the one Captain position, and asked the Chief if he is okay with that, and Chief Rael said yes.

Deputy Chief William Johnson said he is a member of the Chief's management team. He said historically the department has operated inefficiently in his opinion. He said the new management team has looked closely at the organizational chart, and they have identified issues in the past such as one Captain supervising nobody or only one person which is woefully ineffective and inefficient. He said, as such, they are working to restructure the Department so they are in line with the National Incident Management Systems recommended span of control of 5-7 personnel given the critical incidents we handle. He said the Captain's position handling the DWI Forfeiture and the Redflex Red Light Camera Program has been moved, and will be assigned to an officer and the position will revert to a command level position where that position is responsible for 5-7 personnel.

- Councilor Bushee said she is grateful to see that action.
- Councilor Bushee said this would be a good time to work toward getting all policemen living in Santa Fe.
- Councilor Bushee asked if we could do towing in-house, noting the costs. She wants to make sure the Vehicle Seizure Program is self-sustaining.
- Responding to Councilor Bushee, Mr. Romero said they met earlier this week with Cynthia Delgado.
- Councilor Bushee wants to be sure we continue to get the grant funds, and we need to track the funding for the Hearing Officer to keep this program self-sustaining, and the towing costs are a part of that.

Chief Rael said they are looking at the towing issue, and there is consideration to acquiring a set bid for towing which levels out the cost per tow. He said they currently are reviewing the program to get statistical data, but there does seem to be a net profit.

- Councilor Bushee said then he is willing to say the towing costs will be captured by the program itself, and Chief Rael said assuming the information he has is verified, he assumes that will be the case. Councilor Bushee reiterated that administrative procedures are needed for this program.
- Councilor Bushee said she sponsored a resolution on the COPS program which has worked in other communities, noting there are a lot of retirees who email her regularly to report suspicious activities and people. She said the idea is to have these people to be your eyes and ears, and to report

suspicious situations. She believes this can be done, noting previous administrations think the Neighborhood Watch is the answer. She is very concerned about property crimes and the Neighborhood Watch hasn't worked. She wants to know what more we can do.

Chief Rael said he is unfamiliar with the COPS program and can't respond with his opinion on the program or the feasibility of its implementation and he will have to study it. He isn't against developing a new program, but he doesn't have enough information to say whether or not he would recommend it, or if it is feasible.

Mr. Romero said there is a program which was developed by staff at his direction called City Watch, and the Deputy Chief can expand on it. He said he is training the Transit drivers, Parks workers and everyone who works for the City to be on the lookout for suspicious activity and training them as to what to do. He thinks Deputy Chief Alessio can expand on that a little bit. He said the training material has already been created and they are going around the City training staff.

- Councilor Bushee asked Chief Rael to read her Resolution which was adopted and let her know what he thinks.

Chief Rael said he will read the Resolution and do research.

Deputy Chief Alessio said Sgt. Paulk is the brainchild behind City Watch which is based on the idea that they need eyes and ears in the community in terms of Transit personnel, Parks personnel who can be their eyes and ears and assist the Police. She said the program has been created and they are doing training, although she has no data on the success of the program which was implemented two weeks ago and believes it will be well received.

- Councilor Bushee asked if she will look at the COPS program, saying she doesn't recall the City Watch program, but she will look at it.
- Councilor Bushee wants a reporting mechanism on how we are reducing crime, a timeline, what the proposals are, and she wants a focus on this.

Chief Rael said he is working on many things to address the property crime issues.

- Responding to Councilor Bushee, Chief Rael said we are looking at alternatives. He said we need to determine how quickly those can be implemented. He said alcohol and drug addiction also are related to this as a factor that cause people to commit robbery to support their habits. He believes there are things which can be done, but some are long term solutions as opposed to addressing the problem immediately.
- Responding to Councilor Bushee, Chief Rael said all they can do is to get the numbers staffed up, fill some of the programs and start working. He believes another big component is officer morale and their interest and focus on these things, and he and the Deputy Chief are working hard to do this.

- Chair Ortiz said you are showing a decrease of \$100,000 to the Detention Center, and asked how this can be done, noting Santa Fe County is looking to increase its fees to address the shortfall. He said on overtime for patrol, on page 77, he is increasing the patrol overtime, keeping the shift differential at \$189,000, which is up from 2009/10 at \$56,000, and the incentives are at the same amount, noting the direction was to negotiate those incentives. He said the last Chief did cut his overtime from \$683,000 actual in FY 2009 to \$511,000, and the actuals are \$288,072 for overtime. He said there needs to be answers on these numbers, because he sees \$250,000 hidden in these line items which could be squeezed or adjusted to produce savings in the Department.

Chief Rael said he doesn't have an answer, and hasn't concentrated on this area. However, he will research it and report back.

- Councilor Chavez asked the Chief and Mr. Romero to expand on the COPS and the Citizens Academy and grouping other agencies to assist you with your work. He said Mr. Romero said we have City staff working on that to also be your eyes and ears. He believes they could tap into other groups such as the Association of Realtors who are out on a daily basis in different neighborhoods, and ask them to tell you what they are seeing. He said the Chamber of Commerce represents a lot of businesses which are being impacted. He believes pulling in more of the stakeholders might get us where we need to go.
- Councilor Chavez said it may be too soon to have more information on the shift change now is in arbitration, and asked Chief Rael to comment briefly in this regard.

Chief Rael said at this point he has no additional information, and the outcome of the arbitration is pending.

- Councilor Chavez asked Chief Rael the timeline on the arbitration, because we need to reel that in, because the Chief needs to be able to ask the officers to do something and they will follow through.

Chief Rael said the arbitration is May 5-6, 2011, and again it is impossible to predict the outcome in any period.

- Councilor Chavez asked if it will be only those two days.

Chief Rael said it depends on the arbitrator who has a certain amount of time to rule, and it also depends on the guidelines of hire, but the arbitrator will normally rule in 2-6 weeks, and at that time we will hear their decision and take whatever steps are necessary to pursue the outcome of the arbitration.

Mr. Romero agreed, saying we really don't know.

Councilor Chavez asked if we will provide the arbitrator with the appropriate background information.

Mr. Romero said it is like a Court hearing and both lawyers will be there.

- Councilor Dominguez said before Chief Rael came on board," he was talking to this Chief and some of his deputy chief to find ways to recapture some of the jail costs and to map a flow of the funds from arrest through adjudication, which was difficult because of the Court system and we were unsure how much could be recaptured. He said we have to budget jail costs hoping the amount will be sufficient, and then trying to find ways to recapture some of that money for the Police Department.

Chief Rael said he will look at this in the future specifically. He said even if we get a judgment against some of these people to repay the cost, most of them don't have the means and will never get the means to do this. He will work on those they can control immediately, such as misdemeanors, and work with the Municipal Judge.

- Councilor Dominguez said the cost might not be worth the revenues generated.

11. WRAP-UP

Councilor Ortiz said at the Finance Committee meeting on Monday, he will provide a list of departments about which we had no questions or concerns and we can adopt those. He said those not approved will be carried over to the meeting of May 16, 2011.

Chair Ortiz said the meetings on May 2 and 16, 2011, will start at 4:00 p.m., beginning with the regular meeting, then budget discussions at 5:00 p.m., and approve the department budget in the order of the easiest to the hardest.

12. PUBLIC COMMENT

There was no public comment.

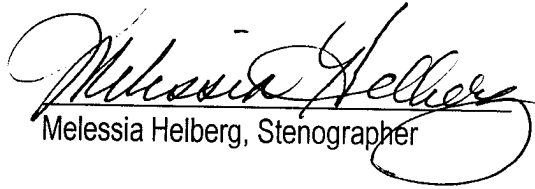
13. ADJOURN

There was no further business to come before the Committee, and the Special Committee Study Session was adjourned at 5:25 p.m.

Matthew E. Ortiz, Chair

Reviewed by:

Kathryn L. Raveling, Director
Department of Finance


Melessia Helberg, Stenographer