



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
MAY 16, 2011 – 4:00 PM

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

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

CITY CLERK'S OFFICE

DATE 5-13-11 TIME 11:55am

SERVED BY Yolanda Brown

RECEIVED BY [Signature]

APRIL 28, 2011 SPECIAL STUDY SESSION AND BUDGET HEARINGS
MAY 2, 2011 REGULAR MEETING AND BUDGET HEARINGS

CONSENT AGENDA

6. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – SECURITY SERVICES AT GENOVEVA CHAVEZ COMMUNITY CENTER; CHAVEZ SECURITY, INC. (IVIE VIGIL)
7. REQUEST FOR APPROVAL OF GRANT APPLICATION AND AWARD – SURFACE SEALING AND MARKING RUNWAY 02/20 AT SANTA FE MUNICIPAL AIRPORT; NEW MEXICO DEPARTMENT OF TRANSPORTATION AVIATION DIVISION (JIM MONTMAN)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND
8. REQUEST FOR APPROVAL OF AMENDED AND FULLY RESTATED LEASE AGREEMENT – RENEWAL OPTION AT SANTA FE MUNICIPAL AIRPORT; SANTA FE AIR CENTER, LLC, SUCCESSOR IN INTEREST TO SANTA FE AVIATION SERVICES, LTD. CO. (JIM MONTMAN)
9. REQUEST FOR APPROVAL OF FUNDING RECOMMENDATIONS FOR FISCAL YEAR 2011/2012 HUMAN SERVICES PROVIDERS; EIGHTEEN (18) VARIOUS VENDORS (ISAAC PINO)
10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – FISCAL YEAR 2011/2012 CHILDREN AND YOUTH COMMISSION GRANTS AND FUNDING RECOMMENDATIONS; VARIOUS VENDORS (ISAAC PINO)



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11. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – GENOVEVA CHAVEZ COMMUNITY CENTER PARK PLAYGROUND EQUIPMENT; EXERPLAY, INC. (BEN GURULE)
12. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – MATERIALS FOR CITY-WIDE MAINTENANCE FOR TRAFFIC OPERATIONS SECTION; 3M COMPANY AND J & H SUPPLY (RANDY BLAKE)
13. MCCLURE AND NICHOLS RESERVOIR INFRASTRUCTURE IMPROVEMENTS-PHASE I (ROBERT JORGENSEN)
 - A. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – ENGINEERING SERVICES FOR RESERVOIR INFRASTRUCTURE IMPROVEMENTS, PHASE I (RFP #11/15/P); SANTA FE ENGINEERING CONSULTANTS, LLC
 1. REQUEST FOR APPROVAL OF BUDGET INCREASE – WATER FUND
 - B. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – CONSTRUCTION MANAGEMENT SERVICES FOR RESERVOIR INFRASTRUCTURE IMPROVEMENTS, PHASE I (RFP #11/16/P); WEAVER GENERAL CONSTRUCTION CO.
14. REQUEST FOR APPROVAL OF WASTEWATER MANAGEMENT DIVISION TO PROVIDE A COUPON “ONE (1) FREE LOAD OF COMPOST” IN THE CITY OF SANTA FE UTILITY BILLS AS PART OF COMPOST MARKETING EFFORT (BRYAN ROMERO)
15. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – SECURITY SERVICES FOR CITY OF SANTA FE WATER FACILITIES FOR WATER DIVISION; CHAVEZ SECURITY, INC. (MICHAEL GONZALES)
16. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – WATER METER CALIBRATION FOR WATER DIVISION; GREAT SOUTHWEST METERS (MICHAEL GONZALES)
17. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – PERFORMANCE OF A NEW INITIAL DISTRIBUTION SYSTEM EVALUATION OF WATER SUPPLIED BY BUCKMAN REGIONAL WATER TREATMENT FACILITY; ENVIRONMENT ENGINEERING AND TECHNOLOGY (EE&T) (ALEX PUGLISI)



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18. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – CLAIMS ADMINISTRATION FOR SELF-INSURED DENTAL INSURANCE PROGRAM (RFP #11/03/P); UNITED CONCORDIA DENTAL GROUP (VICKI GAGE)
19. REQUEST FOR APPROVAL OF A RESOLUTION IN HONOR OF GAIL RYBA, NAMING A COMBINATION OF EXISTING AND PLANNED TRAIL SEGMENTS FOLLOWING THE ALIGNMENT OF THE ARROYO DE LOS CHAMISOS EASTWARD FROM THE SANTA FE RAIL TRAIL, UNDER ST. FRANCIS DRIVE, AND CONTINUING TO THE INTERSECTION OF WEST ZIA ROAD AND OLD ARROYO CHAMISOS ROAD (COUNCILOR BUSHEE) (BOB SIQUEIROS)

Committee Review

Bicycle and Trails Advisory Commission (approved)	04/28/11
Public Works (approved)	05/09/11
City Council (scheduled)	05/25/11

Fiscal Impact – No

20. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE “LENDERS/GRANTORS”) AND THE CITY OF SANTA FE (THE “BORROWER/GRANTEE”), IN THE AGGREGATE AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), BEING A LOAN IN THE AMOUNT OF THREE HUNDRED THOUSAND DOLLARS (\$300,000) AND A GRANT IN THE AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE PLANNING, DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO THE BORROWER/GRANTEE’S MCCLURE AND NICHOLS RESERVOIRS THAT FEED THE CANYON ROAD WATER TREATMENT PLANT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS



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HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT (COUNCILOR WURZBURGER) (ALAN HOOK)

A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND

Committee Review:

Public Utilities (approved)	05/04/11
Council (request to publish)	05/25/11
Council (public hearing)	06/29/11

Fiscal Impact – Yes

21. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO ESTABLISH A FORMALIZED PROCESS TO SET MINIMUM LEVELS OF CASH RESERVES IN VARIOUS FUNDS (MAYOR COSS AND COUNCILORS ORTIZ, WURZBURGER, BUSHEE, ROMERO, DOMINGUEZ, CALVERT AND TRUJILLO) (KATHRYN RAVELING)

Committee Review

Council (scheduled)	05/25/11
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Fiscal Impact – No

22. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE TEMPORARY MODIFICATION TO THE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (“SFHP”); AND AUTHORIZING A 70% REDUCTION IN FEES ASSOCIATED WITH SMALL SUBDIVISIONS WITH TWO THROUGH TEN TOTAL UNITS (COUNCILOR WURZBURGER) (NICK SCHIAVO AND MELISA DAILEY)

Committee Review

Council (scheduled)	05/25/11
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Fiscal Impact – Yes

23. REQUEST FOR APPROVAL OF THIRD PARTY ADMINISTRATION CITY OF SANTA FE SELF-FUNDED EMPLOYEE HEALTH INSURANCE PROGRAM FLEXIBLE SPENDING ACCOUNT (FSA) ADMINISTRATION (RFP #11/18/P); UNITED HEALTHCARE (VICKI GAGE)

END OF CONSENT AGENDA



CONTINUATION OF BUDGET HEARINGS

DISCUSSION

24. REQUEST FOR APPROVAL OF THE CITY MANAGER'S RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 2011/2012 (ROBERT ROMERO AND KATHRYN RAVELING)
 - A. 2011/2012 BUDGET GAP (ROBERT ROMERO)
 - B. REQUEST FOR APPROVAL OF CITY OF SANTA FE ORGANIZATIONAL CHART (ROBERT ROMERO)
 1. REQUEST FOR APPROVAL TO FILL VACANT POSITIONS FOR FY 2011/2012 (ROBERT ROMERO)
 - C. 2011/2012 BUDGET REVIEW (ROBERT ROMERO)
 1. ADDITIONAL INFORMATION REQUESTED AT THE BUDGET HEARINGS OF APRIL 28, 2011 AND MAY 2, 2011 (ROBERT ROMERO)
25. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING RULE 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987, TO REPEAL THE 4.7 PERCENT PER YEAR SEWER RATE INCREASES FOR MONTHLY SEWER SERVICE AND USAGE FEES THAT WERE TO BE EFFECTIVE OCTOBER 1, 2012, OCTOBER 1, 2013 AND OCTOBER 1, 2014; AND AMENDING RULE 12, OF EXHIBIT A OF CHAPTER 22 SFCC 1987 TO REPEAL THE 4.7 PERCENT PER YEAR INCREASES IN THE MASS BASED COST OF PROVIDING AIR TO REMOVE THE CHEMICAL OXYGEN DEMAND IN WASTEWATER THAT WERE TO BE EFFECTIVE OCTOBER 1, 2012, OCTOBER 1, 2013 AND OCTOBER 1, 2014 (COUNCILORS WURZBURGER AND BUSHEE) (BRIAN SNYDER)

Committee Review:

Finance Committee (approved)	05/02/11
City Council (request to publish)	05/11/11
Public Utilities (scheduled)	06/01/11
City Council (public hearing)	06/08/11

Fiscal Impact – Yes



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
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26. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE TRANSFER OF ENTERPRISE FUNDS TO THE GENERAL FUND (COUNCILOR WURZBURGER, MAYOR COSS AND COUNCILORS ORTIZ, CALVERT AND BUSHEE) (BRIAN SNYDER)

Committee Review:

Public Utilities (scheduled)	06/01/11
City Council (scheduled)	06/08/11

Fiscal Impact – Yes

27. 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)	05/25/11
City Council (public hearing)	06/29/11

Fiscal Impact - Yes

28. 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 (DEPENDENT 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

Fiscal Impact – Yes



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

Committee Review:

Finance Committee (postponed)	04/04/11
Finance Committee (postponed)	04/18/11
City Council (scheduled)	05/25/11

Fiscal Impact – Yes

30. 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
City Council (request to publish)	04/27/11
City Council (public hearing)	05/25/11

Fiscal Impact – No

31. 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



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FINANCE COMMITTEE MEETING
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32. OTHER FINANCIAL INFORMATION:

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

33. MATTERS FROM THE COMMITTEE

34. ADJOURN

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

**SUMMARY OF ACTION
FINANCE COMMITTEE
Monday, May 16, 2011**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1-2
APPROVAL OF CONSENT AGENDA	Approved [Amended]	2
CONSENT AGENDA LISTING		2-4
<u>APPROVAL OF MINUTES:</u> APRIL 28, 2011 SPECIAL STUDY SESSION & BUDGET HEARINGS	Approved	5
MAY 2, 2011 REGULAR MEETING & BUDGET HEARINGS	Approved	5
<u>CONSENT AGENDA DISCUSSION</u>		
REQUEST FOR APPROVAL OF AMENDED AND FULLY RESTATED LEASE AGREEMENT – RENEWAL OPTION AT SANTA FE MUNICIPAL AIRPORT; SANTA FE AIR CENTER, LLC, SUCCESSOR IN INTEREST TO SANTA FE AVIATION SERVICES, LTD., CO.	Approved	5-6
REQUEST FOR APPROVAL OF FUNDING RECOMMENDATIONS FOR FISCAL YEAR 2011/2012 HUMAN SERVICES PROVIDERS; EIGHTEEN (18) VARIOUS VENDORS	Approved	6
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – FISCAL YEAR 2011/2012 CHILDREN AND YOUTH COMMISSION GRANTS AND FUNDING RECOMMENDATIONS; VARIOUS VENDORS	Approved	6-7
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO ESTABLISH A FORMALIZED PROCESS TO SET MINIMUM LEVELS OF CASH RESERVES IN VARIOUS FUNDS	Approved [amended]	8-9

ITEM**ACTION****PAGE**

REQUEST FOR APPROVAL OF A RESOLUTION
AUTHORIZING THE TEMPORARY MODIFICATION
TO THE REQUIREMENTS OF THE SANTA FE
HOMES PROGRAM ("SFHP"); AND
AUTHORIZING A 70% REDUCTION IN FEES
ASSOCIATED WITH SMALL SUBDIVISIONS
WITH TWO THROUGH TEN TOTAL UNITS

Approved [amended]

9-10

END OF CONSENT AGENDA DISCUSSION

CONTINUATION OF BUDGET HEARINGS**DISCUSSION AGENDA**

REQUEST FOR APPROVAL OF THE CITY
MANAGER'S RECOMMENDED OPERATING
BUDGET FOR FISCAL YEAR 2011/2012.
2011/2012 BUDGET GAP

Approved [amended]

10-14
15

REQUEST FOR APPROVAL OF CITY OF SANTA
FE ORGANIZATIONAL CHART
REQUEST FOR APPROVAL TO FILL
VACANT POSITIONS FOR FY 2011/2012

Approved [amended]

16

2011/2012 BUDGET REVIEW
ADDITIONAL INFORMATION REQUESTED
AT THE BUDGET HEARINGS OF APRIL
28, 2011 AND MAY 2, 2011

Information/discussion

17

REQUEST FOR APPROVAL OF AN ORDINANCE
AMENDING RULE 8 OF EXHIBIT A, CHAPTER 22 SFCC
1987, TO REPEAL THE 4.7 PERCENT PER YEAR SEWER
RATE INCREASES FOR MONTHLY SEWER SERVICE AND
USAGE FEES THAT WERE TO BE EFFECTIVE
OCTOBER 1, 2012, OCTOBER 1, 2013 AND
OCTOBER 1, 2014; AND AMENDING RULE 12, OF
EXHIBIT A OF CHAPTER 22 SFCC 1987, TO REPEAL THE
4.7 PERCENT PER YEAR INCREASES IN THE MASS
BASED COST OF PROVIDING AIR TO REMOVE THE
CHEMICAL OXYGEN DEMAND IN WASTEWATER THAT
WERE TO BE EFFECTIVE OCTOBER 1, 2012,
OCTOBER 1, 2013 AND OCTOBER 1, 2014

Approved

18

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE TRANSFER OF ENTERPRISE FUNDS TO THE GENERAL FUND	Withdrawn	18
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	Approved	18-19
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	Denied	19
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	Withdrawn	19
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)	Approved	19-20
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	Denied	21

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
<u>OTHER FINANCIAL INFORMATION</u>		
UPDATE ON GROSS RECEIPTS TAX REPORT RECEIVED IN MAY 2011 (FOR MARCH 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN APRIL 2011 (FOR FEBRUARY 2011 ACTIVITY	Information	21
MATTERS FROM THE COMMITTEE	None	21
ADJOURN		21

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, May 16, 2011**

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Matthew E. Ortiz, at approximately 4:00 p.m., on Monday, May 16, 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 E
Councilor Carmichael A. Dominguez
Councilor Rosemary Romero
Councilor Rebecca Wurzbarger

OTHER GOVERNING BODY MEMBERS PRESENT:

Mayor David Coss
Councilor Christopher Calvert
Councilor Ronald S. Trujillo

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.

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

3. APPROVAL OF AGENDA

Responding to Councilor Bushee, Chair Ortiz said last Wednesday the St. Vincent Director told him St. Vincent is buying the for-profit hospital, they were not prepared to go forward with the Resolution at this hearing, and would like additional time on the Resolution. Chair Ortiz said he told Mr. Valdez to

contact staff to get it removed for the agenda. He believes that Resolution will now be heard at the Finance Committee on Tuesday, May 31, 2011.

Councilor Bushee said she thought there was urgency, noting the non-profit funding is on the agenda.

Chair Ortiz said, "I think it's St. Vincent's loss that that Resolution isn't here today, and my recommendation to the Committee is that we proceed with consideration of the items on the Consent Agenda and St. Vincent can deal with that after the fact, if the sponsors are okay with that."

Mayor Coss said it is totally okay, and Councilor Romero agreed.

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

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Romero and Wurzbarger voting in favor of the motion, no one voting against and Councilor Dominguez absent for the vote.

4. APPROVAL OF CONSENT AGENDA

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

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Romero and Wurzbarger voting in favor of the motion, no one voting against and Councilor Dominguez absent for the vote.

CONSENT AGENDA

- 6. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – SECURITY SERVICES AT GENOVEVA CHAVEZ COMMUNITY CENTER; CHAVEZ SECURITY, INC. (IVIE VIGIL)**
- 7. REQUEST FOR APPROVAL OF GRANT APPLICATION AND AWARD – SURFACE SEALING AND MARKING RUNWAY 02/20 AT SANTA FE MUNICIPAL AIRPORT; NEW MEXICO DEPARTMENT OF TRANSPORTATION AVIATION DIVISION. (JIM MONTMAN)**
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**
- 8. *[Removed for discussion by Councilor Bushee]***
- 9. *[Removed for discussion by Councilor Bushee]***

10. *[Removed for discussion by Chair Ortiz]*
11. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – GENOVEVA CHAVEZ COMMUNITY CENTER PARK PLAYGROUND EQUIPMENT; EXERPLAY, INC. (BEN GURULE)
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18. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – CLAIMS ADMINISTRATION FOR SELF-INSURED DENTAL INSURANCE PROGRAM (RFP #11/03/P); UNITED CONCORDIA DENTAL GROUP. (VICKI GAGE)

19. REQUEST FOR APPROVAL OF A RESOLUTION IN HONOR OF GAIL RYBA, NAMING A COMBINATION OF EXISTING AND PLANNED TRAIL SEGMENTS FOLLOWING THE ALIGNMENT OF THE ARROYO DE LOS CHAMISOS EASTWARD FROM THE SANTA FE RAIL TRAIL, UNDER ST. FRANCIS DRIVE, AND CONTINUING TO THE INTERSECTION OF WEST ZIA ROAD AND OLD ARROYO CHAMISOS ROAD (COUNCILOR BUSHEE). (BOB SIQUEIROS) Committee Review: Bicycle and Trails Advisory Commission (approved) 04/28/11; Public Works (approved) 05/09/11; and City Council (scheduled) 05/25/11. Fiscal Impact – No.
20. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS") AND THE CITY OF SANTA FE (THE "BORROWER/GRANTEE"), IN THE AGGREGATE AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), BEING A LOAN IN THE AMOUNT OF THREE HUNDRED THOUSAND DOLLARS (\$300,000), AND A GRANT IN THE AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE PLANNING, DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO THE BORROWER/GRANTEE'S McCLURE AND NICHOLS RESERVOIRS THAT FEED THE CANYON ROAD WATER TREATMENT PLANT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS, CONCERNING THE LOAN/GRANT AGREEMENT, RATIFYING ACTIONS HERETOFORE TAKEN; REPEATING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT (COUNCILOR WURZBURGER). (ALAN HOOK)
- A. REQUEST FOR APPROVAL OF BUDGET INCREASE.
Committee Review: Public Utilities (approved) 05/04/11; Council (request to publish) 05/25/11; and Council (public hearing) 06/29/11.
21. *[Removed for discussion by Councilor Bushee]*
22. *[Removed for discussion by Councilor Bushee]*

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: APRIL 28, 2011 SPECIAL STUDY SESSION AND BUDGET HEARINGS AND MAY 2, 2011 REGULAR MEETING AND BUDGET HEARINGS.

MOTION: Councilor Romero moved, seconded by Councilor Wurzbarger, to approve the minutes of the Special Study Session and Budget Hearings on April 28, 2011, and the Regular Meeting and Budget Hearings on May 2, 2011, as presented.

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Romero and Wurzbarger voting in favor of the motion, no one voting against and Councilor Dominguez absent for the vote.

CONSENT AGENDA DISCUSSION

8. REQUEST FOR APPROVAL OF AMENDED AND FULLY RESTATED LEASE AGREEMENT – RENEWAL OPTION AT SANTA FE MUNICIPAL AIRPORT; SANTA FE AIR CENTER, LLC, SUCCESSOR IN INTEREST TO SANTA FE AVIATION SERVICES, LTD., CO. (JIM MONTMAN)

Councilor Bushee said she doesn't know how it benefits the City to have these long term leases with 10-year renewal option, noting there is 36.7% land rent increase, and is asked if this is over the 10-year period, and if we miss the opportunity to charge cost of living increases. She knows the applicants like the long leases, because the banks like them.

Jim Montman said there are 3 increases built into the lease for the succeeding 10-year period and the period after that. He said the City is also increasing the rent by charging them the 2% GRT which they haven't paid in the past, and the 37% brings them to a similar rental fee for the property they are occupying.

Councilor Bushee said she saw the other increases, but she meant, "in the past if we have just skipped those increases and that's why we had to increase it almost 10%."

Mr. Montman said, "Yes."

Councilor Bushee asked if there are other leases we can consider "for changing that."

Mr. Montman said he is catching up on the other leases as we move forward. The reason this is happened is that it cost almost \$5,000 to appraise the leasehold to get the additional increase, and it would cost more for the appraisal than we would realize in the rent increase. Responding to Councilor Bushee, Mr. Montman said the City is required to pay for the appraisal.

Councilor Bushee said, "Okay, but I would just ask this in general, and I'm throwing this out, Kathryn, Legal, everybody, that we look at some of the leases we have. We have some unreal real long term lease situations that I continue to see that just can't continue to benefit the City, so I would appreciate that."

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

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Romero and Wurzbarger voting in favor of the motion, no one voting against and Councilor Dominguez absent for the vote.

9. REQUEST FOR APPROVAL OF FUNDING RECOMMENDATIONS FOR FISCAL YEAR 2011/2012 HUMAN SERVICES PROVIDERS; EIGHTEEN (18) VARIOUS VENDORS. (ISAAC PINO)

Councilor Bushee asked if the shelter is being paid from the General Fund.

Mr. Pino asked if she is referring to the \$25,000 recommended for operating.

Councilor Bushee said on page 5 of the Memo it says, "The funding for the ICSG winter shelter does not come from the Human Services Fund but was originally the remaining Crisis Response Grant money that is now general fund money."

Terrie Rodriguez said, "What had happened is that there was an amount of money that was left over that had then been put in my budget to be allowed for these kinds of crisis response things. I had spent that. Two years ago, when we had begun the last phase of the Sobering Center, that had been put into my budget, so I had used it again for the winter shelter."

Councilor Bushee asked if the winter shelter will be funded from the General Fund in the future, and Ms. Rodriguez said, "No. Not necessarily."

Councilor Bushee said then it is for just this year, \$25,000 from the General Fund, and Ms. Rodriguez said yes.

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

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Romero and Wurzbarger voting in favor of the motion, no one voting against and Councilor Dominguez absent for the vote.

10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – FISCAL YEAR 2011/2012 CHILDREN AND YOUTH COMMISSION GRANTS AND FUNDING RECOMMENDATIONS; VARIOUS VENDORS. (ISAAC PINO)

Chair Ortiz said his concerns are about the funding for the Boys and Girls Club, noting there is funding listed in the packet with conditions. He said those conditions and the ones he will be suggesting address his concern regarding the publicity which has been generated by the Boys and Girls Club, as well as the former director.

Chair Ortiz proposed to amend the Contract as follows:

- a. Everywhere it says "Commission," to also include "and City Staff."
- b. Amend Item E to provide that "the Commission and City Staff be consulted with concerning the appointment of a permanent Executive Director.
- c. Amend Item F to provide that the Club certifies or guarantees that the appropriation which is being given is for Alto Street Programs only.

Councilor Dominguez arrived at the meeting

Chair Ortiz noted there is concern that there was some mention in the report that part of the \$40,000 would be used for programming for other facilities. He said this is the concern the City had regarding senior services and using City funding for County Services.

MOTION: Councilor Romero moved, seconded by Councilor Wurzbarger, to approve this request with the amendments proposed by Councilor Dominguez.

DISCUSSION: Chair Ortiz asked the members of the Boys and Girls Club Board if they could speak to the proposed conditions.

Nicole Castellano, Board President, said the Board feels these requests are not unreasonable with the exception of the word "consulted," and would like that to be changed to "inform."

FRIENDLY AMENDMENT: Chair Ortiz proposed to amend Item E further as follows: ".....the Commission and City Staff shall be consulted with informed concerning the appointment of a permanent Executive Director. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

Ms. Castellano said they are in the process of selecting a new Executive Director, noting there are 50 candidates with local and national abilities. Ms. Castellano said, for the record, they will be selecting 10 candidates from among the 50 for interview within the next 5 days. The Board will then assess those 10 persons in a private session and then decided those they will be interviewing for the position.

Chair Ortiz said then the Board is okay with the conditions, with the change from "consulted" to "informed," and Ms. Castellano said yes.

Chair Ortiz asked if the Boys and Girls Club Board also is okay with the four previous conditions, and Ms. Castellano said yes.

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

21. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO ESTABLISH A FORMALIZED PROCESS TO SET MINIMUM LEVELS OF CASH RESERVES IN VARIOUS FUNDS (MAYOR COSS AND COUNCILORS ORTIZ, WURZBURGER, BUSHEE, ROMERO, DOMINGUEZ, CALVERT AND TRUJILLO). (KATHRYN RAVELING) Committee Review: Council (scheduled) 05/25/11. Fiscal Impact – No.

Councilor Bushee said she sees no information on the criteria, and whose decision it is and what level, and she wants this included in this bill. She asked if there are national standards we could use. She assumed she would get something back from Ms. Raveling with regard to the question she asked previously. She said before it moves forward "it should say more than it says."

Chair Ortiz said he is a sponsor, and "we all are sponsoring it actually," and he had the same questions. However, he realizes this is the prerogative of the drafter. He said the second Be It Resolved speaks to this process she is requesting.

Councilor Bushee said she asked for that information before this Resolution moved forward. She said, "So, I guess what I'm putting out there, that I would like along the way, as this comes, it doesn't have to happen tonight, because I don't think it needed a Resolution. I think it needs more detail as to what the process is going to be, what criteria you're going to base it on, and who's ultimate decision. I know it's our ultimate decision, but we have only one requirement, that we have to have a certain amount of reserves in our General Fund. And, at this point this needs to make sense according to some standard, not someone's subjective standard. So, I would like some background. If you could give me something that's done elsewhere, or something you're recommending, or how you would proceed.... I just want a memo on it, so that when it moves on to Committee, or back to Council, I'll understand what this is going to look like."

Councilor Dominguez suggested that we could wordsmith and ask staff to establish a process and criteria for minimum levels of cash reserves in various funds. He said part of our job is to come up with that process and criteria. He has no idea whether we have to keep a certain cash balance in a certain fund. He said part of the Resolution is to direct staff to come up with that information so we can get that established. He suggested making changes in the title to this effect.

MOTION: Councilor Dominguez moved, seconded by Councilor Wurzbarger, to approve the Resolution with an amendment to the title as follows:

"REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO ESTABLISH A FORMALIZED PROCESS AND CRITERIA TO SET MINIMUM LEVELS OF CASH RESERVES IN VARIOUS FUND FOR COUNCIL'S CONSIDERATION."

FRIENDLY AMENDMENT: Councilor Wurzbarger suggested changing the action statement, on page 3 of the Resolution, so this same language is reflected there. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND THERE WERE OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

FRIENDLY AMENDMENT: Councilor Romero would like to add language on page 3 to include "standards utilized by other cities," in the BE IT FURTHER RESOLVED language as well. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

Mayor Coss said these are good changes and staff should begin with Local Government Division of DFA, the New Mexico Municipal League, as well as public organizations for public utility funds which have guidelines, the National League of Cities, the U.S. Conference of Mayors, as well as private accounting organizations. He believes all of these can be of assistance in this effort.

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

22. **REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE TEMPORARY MODIFICATION TO THE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM ("SFHP"); AND AUTHORIZING A 70% REDUCTION IN FEES ASSOCIATED WITH SMALL SUBDIVISIONS WITH TWO THROUGH TEN TOTAL UNITS (COUNCILOR WURZBURGER). (NICK SCHIAVO AND MELISA DAILEY). Committee Review: Council (scheduled) 05/25/11). Fiscal Impact – Yes.**

Councilor Bushee said she wants additional language, commenting this isn't ready to publish. She said it says two years and asked if this means developers could rush through plans which sit on the books forever. She wants more detail, noting she gets the intent, but the language is missing.

Councilor Wurzbarger said the same language which was added to the 30% could be put here, which addresses the fact that there is a timeline that is tied to pulling a residential permit.

Councilor Bushee said there have been Resolutions and Ordinances which have sunset clauses which don't allow things to go on forever. She doesn't support the concept, but the window needs to be narrow for this to work at all.

Councilor Wurzbarger said by making it parallel to the other language, which we don't have before us, that it does that.

MOTION: Councilor Wurzbarger moved, seconded by Chair Ortiz, to approve this request, with the addition of language which operationally defines the two year period as being tied to a residential building permit.

FRIENDLY AMENDMENT: Councilor Calvert said he understood part of the purpose of this was for economic development and he has asked staff to come up with language with regard to local contractors, along the same lines as when we gave funds to Homewise for home improvement, so we actually have local business in the community, and that language will be included when this goes to the Council. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

Councilor Calvert said we do an annual review, and believes that language should be included as well.

Councilor Romero said she is proposing another Resolution with different language which addresses permits already in the pipeline, commenting it is a parallel resolution, and hopes people will consider this Resolution when it moves forward. She said more information needs to be included for her to avoid heartburn with this Resolution, and she will make her proposed Resolution available when it is drafted, noting she will consider Councilor Calvert's amended language. She will vote against this because there is another Resolution coming forward which may address some of these concerns.

Chair Ortiz asked if the Resolution has been introduced.

Councilor Romero said she will be introducing the Resolution shortly.

Councilor Wurzbarger said Councilor Romero is referencing the 30%, but this Resolution has nothing to do with that, but that will become clearer once Councilor Romero presents her Resolution.

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

CONTINUATION OF BUDGET HEARINGS

DISCUSSION AGENDA

24. REQUEST FOR APPROVAL OF THE CITY MANAGER'S RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 2011/2012. (ROBERT ROMERO AND KATHRYN RAVELING)

Robert Romero reviewed the summary of the cash balances on page 2 of the packet. Please see this document for specifics of this presentation.

Chair Ortiz said he wants to be very clear about this, and asked Mr. Romero when he says there is \$5.2 million in reserves, is this over and above the state-mandated minimum or does it include the state-mandated minimum.

Mr. Romero said it is over and above the state-mandated minimum.

Chair Ortiz asked, regarding those items with an "X," if those require enabling legislation or an ordinance change, and if staff is confidence with what kinds and where those changes need to be made for each of those funds. He asked if research has been done.

Mr. Romero said, "Actually, not quite. I believe we have looked at the Wastewater Fund and some of the other enterprise funds, but I don't believe we've looked too closely if we were going to try to tap into the Lodger's Tax funding for the General Fund."

Chair Ortiz said, "Some of the discussion or consternation that was raised with regard to one of the consent items on fund balances and coming up with a policy, that would be some of the additional work that staff would have to provide if that Resolution passes and we actually arrive at some kind of policy making point regarding the balances in funds."

Mr. Romero said this is correct.

Councilor Bushee asked why the presumption that the Santa Fe Health Fund is off the table.

Mr. Romero said he isn't saying that it is off the table, and that can be added if the Council would like.

Councilor Bushee said she knows the Mayor doesn't want to touch this fund.

Chair Ortiz asked if the \$16 million includes the health fund and the workers compensation, and Mr. Romero said this is correct.

Chair Ortiz said if there are Councilors who want to raid reserve funds to balance the budget, then it is \$5.2 million plus \$16.573, or about \$21 million.

Mr. Romero said it is his understanding we can tap into those funds without having to change an ordinance or resolution.

Councilor Calvert said some of these are negative fund balances, and asked if the City will have to find funds elsewhere to "shore up" those funds.

Mr. Romero said there are very few negatives. One is the ½% GRTs which was caused by the purchase of Pete's Pets, and when we do the CIP bond it will take care of that. He said regarding the Paratransit negative, we expect grants to take care of that. He said he has been watching the negative balance at the MRC and expenditures will be less than expected, so that should be a wash. He said sometimes revenue doesn't come as expected, but these balances won't fluctuate a lot over time.

Councilor Calvert asked about 5100 Civic Convention Center, and if this is the one that was to fund landscaping improvements, but we held to address any issues which might arise with the building, or if this is Lodger's Tax money.

Ms. Raveling said these are two different funds, one includes the funding to do the landscaping and the other is the cash balance in the fund.

Councilor Calvert asked if we have encountered problems at the Civic Center, and asked how long we will keep these funds in reserve for this purpose.

Mr. Romero said nothing major has happened, noting some of those funds were used to analyze the deck in the garage, but those funds will be recovered from the structural engineer who designed the deck. However, in time, we will need to invest in the building.

Responding to Councilor Calvert, Mr. Romero said 5100 is the operating fund which is separate from the contingency, so that contingency is elsewhere, and Ms. Raveling said this is correct, the balance from landscaping is in the construction fund.

Mr. Romero said those funds aren't shown here because he didn't see it as being used for operating.

Councilor Wurzbarger thanked Mr. Romero for his work in looking at the issue of recurring funds. She said throughout this long process, she has spoken often about the importance of not "kicking the can down the road." She said given the reserve funds we have found, she believes the political, pragmatic, realistic and fair solution is to do neither further pay cuts nor impose a property tax.

MOTION PART ONE: Councilor Wurzbarger moved, seconded by Councilor Bushee, with respect to using reserves: "because of our collective concern about the unpredictability of the future and not having more recurring funds being probable, I am going to first recommend as a motion that the City increase its required reserve in the General Fund to \$9.6 million."

DISCUSSION: Councilor Wurzbarger said it is 35-40%, or \$3 million more. She said before we start spending reserves to make up the projected deficits we will have next year, and into the future, we are saying we're not relying on the State's minimum, or the minor 10% addition that we set earlier – this is the rationale.

Chair Ortiz asked if the motion is just regarding the reserves, or on the budget as a whole.

Councilor Wurzbarger said it is just a motion to increase the required reserves to \$9.6 million. She said she will then make a second motion with respect to making up the gap.

Chair Ortiz suggested that she make her motion in two parts, so we can hear the second part, and have one discussion on the motion.

MOTION PART TWO: Councilor Wurzbarger moved, seconded by Councilor Bushee, that the City Manager and the Finance Director take an equal percentage from the funds that do not require legislative action to make up the gap, which she understands to be a total of \$822,000.

DISCUSSION: Mr. Romero said it will be \$822,000 if we use the \$1.7 million from wastewater.

Councilor Wurzbarger said if we take the \$1.7 million from Wastewater, \$1.1 million from Water, and \$500,000 from franchise fees, that leaves a budget gap of \$822,000. She said she recognizes and supports the Resolution establishing a policy, but we won't have a policy in place before we get this budget done. The rationale for this is that we are taking it across the board.

CLARIFICATION OF THE MOTION: Chair Ortiz said there is a motion to approve the budget in two parts that (1) increases reserves to \$9.6 million, and (2) the City Manager and Finance Director are directed to take the remaining shortfall in the budget in an equal percentage from all those funds and have a cash balance not requiring enabling legislation. Councilor Wurzbarger said, "That's correct. That's my motion."

FURTHER CLARIFICATION OF THE MOTION: Chair Ortiz asked if the motion is with the assumption that we are going to redirect the \$1.7 million from Wastewater and \$1.1 million from Water, and Councilor Wurzbarger said this is correct, clarifying that these are "one time things."

DISCUSSION: Councilor Bushee said she supports the concept of taking these funds from reserves, noting she never supported a salary reduction because, bottom line, it hits peoples' retirements, and she never felt that was an appropriate way to go. She never supported the property tax. She said, "But what I have a little concern on, is the random amount of money, as we are going to move into some kind of rational nexus of what kind of reserves we maintain. I would like to understand. The previous Council directive had been... I don't mind adding the General Fund reserves, but the previous directive had been 10% which is on top of what the State requires. Is that right."

Mr. Romero said the State requires 8%, we do 10%.

Councilor Bushee said, "So we added 2%. So, can somebody tell me if we're going to aim for this new figure of \$9.6 million, or I just thought you said \$9 million before..."

Councilor Wurzbarger said, "9.6 million."

Councilor Bushee said, "What percentage are we now.."

Councilor Romero said this would be another 5%.

Councilor Bushee said, "Then about a 15% reserve is what we're saying. And can we say when we go through that process of creating or maintaining that criteria, that if we have a better idea of what we want it to be, that that you know that for the budget it will be this, but we don't have to hold to that. I don't want to..."

Councilor Wurzbarger said, "I think this Council has no history of holding to these, if I may, including myself in it, so I have no problem with it."

Councilor Bushee said, "I want to be sure it makes sense. And then, on the others, the only thing I want to reconsider, I don't know, because there's plenty of reserves here that seem to be in the offing. But, you know, I understand that the \$500,000 would increase a minimal amount of a couple, I don't know a dollar and a half a month, as a pass through for the franchise fee is sustainable. But, I'm a little concerned at this point that with PNM, and what they're doing in terms of increases, that we even go there, if we don't have to."

FRIENDLY AMENDMENT: Councilor Bushee proposed to amend the motion to remove the \$500,000

franchise fees revenue which she previously proposed, and consider “taking it all out of reserves in equal percentage.”

CLARIFICATION OF THE FRIENDLY AMENDMENT: Chair Ortiz said there is a Friendly Amendment to take out what previously had been proposed, the \$500,000 increase in franchise fee, remove that and substitute taking from the reserves to cover the balance which would be \$1.3 million instead of the \$822,000 which was recommended.

THE AMENDMENT WAS FRIENDLY TO THE MAKER WITH THE RECOGNITION THAT WE ALL CAN CHANGE OUR MINDS, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.

Councilor Wurzbarger said this makes a further argument for the importance of increasing the General Fund reserves.

DISCUSSION ON THE MOTION AS AMENDED: Councilor Calvert said there was a sticking point on the franchise agreement the last time it was discussed with regarding access to open space and trails, and asked if this was the reason it wasn't approved, and Nick Schiavo said this is true.

Councilor Calvert said PNM wanted us to include open space and trails so they could have access, and we didn't want to do that, and ended up in a stalemate.

Councilor Bushee said she doesn't believe that policy would be part of a franchise agreement.

Mr. Romero said although this is true now, it was an issue back then. He said PNM is okay with increasing the franchise fee and leaving the Franchise Agreement the way it is now.

CLARIFICATION OF THE MOTION BY MAKER: Councilor Wurzbarger said this approval in no way changes the Council's direction to the City Manager with respect to the union negotiations on the \$600,000 and any other items that we have there. It does not open these funds to that negotiation.

Councilor Bushee would like Mr. Romero to spell out what this action means to each of the funds in writing prior to the next Council meeting.

Mr. Romero said the spreadsheet in the packet shows exactly what they are proposing to take from each fund.

RESTATEMENT OF THE MOTION BY THE CHAIR: Chair Ortiz said the motion is to approve the budget by increasing the amount of the reserves, and to balance the budget by taking funds from reserve balances in an equal percentage in the amount of \$1.322 million.

VOTE: The motion was approved unanimously on a voice vote, with the Chair indicating support for the motion.

A. 2011/2012 BUDGET GAP. (ROBERT ROMERO)

Mr. Romero said page 3 contains what we did last year, but he moved forward everything that is sustainable, noting the \$4.5 million is sustainable.

Mr. Romero said pages 3 & 4 contain what is sustainable into future years which has been recommended for this year, which is about \$10 million.

Mr. Romero said the next iteration of the budget gap document is on page 5, what is sustainable and what has been recommended so far – it is the actual budget gap still to be closed in the amount of \$2.5 million.

Mr. Romero said page 6 shows the amount of the 3% reduction for the upper 1/3 of employees, for a total savings of \$872,000.

Chair Ortiz said there is a total savings listed on page 5 of \$850,000, and Mr. Romero said he rounded that figure upward to be conservative.

Mr. Romero reviewed pages 7 and 8 of the packet.

Chair Ortiz said Councilors Dominguez and Bushee asked for this information to show union and non-union positions which were eliminated and the date those were eliminated.

Councilor Bushee said some of the union planners were drawing high salaries.

Mr. Romero said that is the total of salary plus benefits.

Chair Ortiz asked if she is recommending that these position not be in the union, and Councilor Bushee said no.

Councilor Dominguez said then these are reflective of the organizational charts we received at the previous Finance Committee, and Mr. Romero said this is correct, with the date removed and whether the position is union or non-union.

Responding to Councilor Dominguez, Mr. Romero said the positions go back as far as 2008.

Councilor Romero said then Mr. Romero could make a recommendation on the funds which could be wiped out to offset the \$2.522 million, and Mr. Romero said, "That's a possibility."

Councilor Bushee asked if there are options on page 5 that can be eliminated.

Chair Ortiz said once a decision is made on Item #24, the rest of the items should fall into place "like dominoes." He said he first wants to do Items 24(B) and (C) which were requested by Councilors.

**B. REQUEST FOR APPROVAL OF CITY OF SANTA FE ORGANIZATIONAL CHART.
(ROBERT ROMERO)**

**1. REQUEST FOR APPROVAL TO FILL VACANT POSITIONS FOR FY 2011/2012
(ROBERT ROMERO)**

Chair Ortiz said it is his position that the City Manager still should come through the Finance Committee, at least, for approval for positions, and not be given blanket approval to fill vacancies. He said, for example, one of the Managers is retiring at the Civic Center and there is a proposal to change that to an exempt position with an increased salary. This has been a working supervisor position. He said, "Without the ability for the City Manager to come here, without the ability of this Committee to provide its perspective, we could be giving the City Manager that approval, an approval I'm not ready to give."

Councilor Bushee said her comments are similar, and suggested the Chair introduce a resolution to that effect. She said there is some room for discussion on raises, but it should be within a certain percentage and asked that the Committee consider that policy as well. She said if the Chair doesn't introduce such a resolution, she will do so.

Mayor Coss said there are controls on the City Manager beginning with the budget and the organizational chart on positions. He said after this exhaustive budget process, we should come through and tell the City Manager to stay on budget, and to report to the Finance Committee quarterly. He asked if the Committee would like to play a role in converting a position from classified to exempt, which he sees as reasonable. He doesn't believe it is necessary, however, for the City Manager to have to come to Finance Committee to fill every position after this much budget work, and he advocates that the City Manager be able to manage.

Councilor Bushee said her reference has nothing to do with the current City Manager, but how we look at filling positions and whether we fill positions moving forward – and if there are discretionary raises. She wants everything on paper, just as we are doing in terms of cash reserves.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve the proposed Organizational Chart submitted by the City Manager, and with respect to filling vacant positions, that the City Manager is authorized to fill positions, but is not authorized to give raises or change positions from classified to exempt without coming back to the Finance Committee for approval.

DISCUSSION: Councilor Wurzbarger said this will bring significant changes before this Committee which the Committee needs to "stay on top of."

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

C. 2011/2012 BUDGET REVIEW (ROBERT ROMERO)

1. ADDITIONAL INFORMATION REQUESTED AT THE BUDGET HEARINGS OF APRIL 28, 2011 AND MAY 2, 2011. (ROBERT ROMERO)

Chair Ortiz said this packet item contains all of the information requested by the members of the Governing Body, and from the departments which did a good job of responding timely and accurately to the requests.

Councilor Romero said she assumes the dues paid on pages 2-7 are related to certification, and Mr. Romero said this is correct.

Councilor Romero asked about the \$10,850 for APTA and assumes that is based on either the number of buses or the budget, or both.

Mr. Romero said it is based on the number of buses.

Chair Ortiz said his question regarding the NMML dues of \$54,475, is whether this is the same amount we have always spent, and whether the NMML is reducing its dues in consideration of the financial difficulties being experienced by its member municipalities. He said the NMML is wholly dependent on taxpayer funds, but operates at times as a lobbyist. He said we need to find out if the NMML is shaving its expenditures and giving its members a break in terms of dues reduction. He said this is the largest dues paid by the City.

Councilor Calvert said many of the dues are repetitive and asked if everyone has to pay dues for an official reason, or if we could pay one person's dues and they could share the information/benefits.

Mr. Romero said the majority are licenses, and each person needs their own license.

Councilor Calvert asked about the dues to the Colorado Society of Association Executives on page 5, and below that the Bank Travel Network.

Mr. Romero said he doesn't know and he will look into this.

Councilor Bushee said someone should break down what the City receives for the NMML dues, noting that is more than we pay our lobbyist.

Councilor Bushee asked if the City pays the State Bar dues for our attorneys.

Mr. Romero said the City pays for all of its employees to keep their licenses, whatever licenses are needed to perform the job.

25. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING RULE 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987, TO REPEAL THE 4.7 PERCENT PER YEAR SEWER RATE INCREASES FOR MONTHLY SEWER SERVICE AND USAGE FEES THAT WERE TO BE EFFECTIVE OCTOBER 1, 2012, OCTOBER 1, 2013 AND OCTOBER 1, 2014; AND AMENDING RULE 12, OF EXHIBIT A OF CHAPTER 22 SFCC 1987, TO REPEAL THE 4.7 PERCENT PER YEAR INCREASES IN THE MASS BASED COST OF PROVIDING AIR TO REMOVE THE CHEMICAL OXYGEN DEMAND IN WASTEWATER THAT WERE TO BE EFFECTIVE OCTOBER 1, 2012, OCTOBER 1, 2013 AND OCTOBER 1, 2014 (COUNCILORS WURZBURGER AND BUSHEE). (BRIAN SNYDER) Committee Review: Finance Committee (approved) 05/02/11; City Council (request to publish) 05/11/11; Public Utilities (scheduled) 06/01/11; and City Council (public hearing) 06/08/11. Fiscal Impact – Yes.**

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

VOTE: The motion was approved unanimously on a voice vote, with the Chair indicating support for the motion.

26. **REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE TRANSFER OF ENTERPRISE FUNDS TO THE GENERAL FUND (COUNCILOR WURZBURGER, MAYOR COSS AND COUNCILORS ORTIZ, CALVERT AND BUSHEE). (BRIAN SNYDER). Committee Review: Public Utilities (scheduled) 06/01/11; and City Council (scheduled) 06/08/11. Fiscal Impact – Yes.**

Councilor Ortiz asked, in light of the action on Item #24, if any of the Councilors wish to withdraw this Resolution.

Responding to Councilor Calvert, Brian Snyder said it is his understanding that an ordinance is needed to move any funds from the enterprise funds into the General Fund.

It was the consensus among all the sponsors of this Resolution to withdraw this Resolution from consideration.

27. **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) 05/25/11; and City Council (public hearing) 06/29/11. Fiscal Impact – Yes.**

Councilor Ortiz noted he amended this from 8 years to 4 years.

MOTION: Councilor Wurzburger moved, seconded by Councilor Romero, to approve this request as amended.

VOTE: The motion was approved unanimously on a voice vote, with the Chair indicating support for the motion.

28. **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 Fiscal Impact – Yes.**

MOTION: Councilor Bushee moved, seconded by Councilor Wurzbarger, to deny this request, conditioned upon the action in Item #24.

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

29. **REQUEST FOR APPROVAL OF A RESOLUTION KEEPING SANTA FE WORKING, ENSURING ESSENTIAL CITY SERVICES, INVESTING IN A STRONG CITY, AND STABILIZING THE CITY'S BUDGET BY CONTROLLING COSTS AND ENACTING A PROPERTY TAX RATE INCREASE OF \$1.16 PER \$1000 OF NET TAXABLE VALUE (COUNCILORS DOMINGUEZ, ROMERO, TRUJILLO, CALVERT AND MAYOR COSS). (KATHRYN RAVELING) Committee Review; Finance Committee (Postponed) 04/04/11; Finance Committee (Postponed) 04/18/11; and City Council (Scheduled) 05/25/11. Fiscal Impact – Yes.**

Mayor Coss said he has spoken with the other sponsors of this Resolution, and they are withdrawing this Resolution from consideration. He said they are satisfied with the budget work this year and that we will keep essential City services going.

30. **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.**

Councilor Calvert asked, since the \$1.7 million from Wastewater is considered to be a transfer, do we need to have a mechanism to do this – did the enabling legislation earmark these funds for Wastewater.

Mr. Snyder said it is his understanding that we do need an ordinance amendment to do this.

Chair Ortiz asked Mr. Snyder if it is his and the City Attorney's understanding that an ordinance is the vehicle for effecting this change. He said we are changing the nature of the transaction, changing an increment of the GRT tax which wouldn't be allocated as it is now for Wastewater, and taking it for the General Fund.

Mr. Snyder said in speaking with Marcos Martinez of the City Attorney's Office, Mr. Martinez told him it was his understanding as well that we would have to do an ordinance amendment.

Chair Ortiz asked if that would be a different ordinance amendment than this proposed ordinance amendment.

Councilor Wurzburger said, given the lack of clarity, she is uncomfortable in adopting an ordinance amendment that authorizes a transfer of up to \$4 million. She said if there was an attorney here who, with great specificity could say this will work if you change it to \$1.7 million, she would make a motion to approve this, but not having this, she believes we need to do our homework and get it to the City Council in a new form.

MOTION: Councilor Wurzburger moved, seconded by Councilor Bushee, to approve this request, with an amendment changing the amount from \$4 million to \$1.7 million, subject to a definitive legal opinion on the propriety of such an ordinance and contingent upon the action taken in Item #24.

DISCUSSION: Judy Amer, Assistant City Attorney, said she hasn't looked at this issue personally, but it is her understanding that Marcos Martinez had looked at this and said an ordinance amendment is needed.

Chair Ortiz asked Ms. Amer if she finds anything wrong with the motion which is proposed which to approve this request, amend the language to \$1.7 million, and make the action subject to a formal legal opinion on this item – does this give us sufficient "wiggle room," so we aren't committing an illegal act.

Ms. Amer said, "Yes. I think that would be okay."

THE MAKER SAID HER MOTION STANDS: Councilor Wurzburger said based on Ms. Amer's response, then her motion stands as stated.

Councilor Bushee said she would like to cosponsor of the Ordinance if it is a legal ordinance.

Councilor Wurzburger said she would like to be a cosponsor as well.

VOTE: The motion was approved unanimously on a voice vote, with the Chair indicating support for the motion.

31. **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.**

MOTION: Councilor Bushee moved, seconded by Councilor Romero, to deny this request, subject to the action taken in Item #24.

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

32. OTHER FINANCIAL INFORMATION

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

A copy of "City of Santa Fe Gross Receipts Taxes Collected (less Water 1/4%)" dated May 16, 2011, prepared by H. Hausman, is incorporated herewith to these minutes as Exhibit "1."

Chair Ortiz noted that there is information in the Committee packet, and it appears we are about even because of the higher than expected GRTs revenue in March.

Councilor Wurzbarger said, "My comment is, don't get overly excited."

33. MATTERS FROM THE COMMITTEE

Chair Ortiz thanked the Committee members for their hard work, and the Mayor, Councilor Calvert, Councilor Trujillo and Councilor Chavez for their work and for attending the meetings. He said this budget is done.

Mayor Coss thanked Chair Ortiz and the members of the Finance Committee.

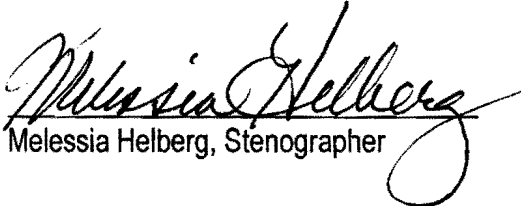
34. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 5:15 p.m

Matthew E. Ortiz, Chair

Reviewed by:

Kathryn L. Raveling, Director
Department of Finance


Melessia Helberg, Stenographer