



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JULY 30, 2012 – 5:00 P.M.

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 7/26/12 TIME 2:00p
CALL BY Yolanda Green
RECEIVED BY [Signature]

Regular Finance Committee Meeting – July 16, 2012

CONSENT AGENDA

6. Bid No. 12/26/B – Santa Fe River Park – El Parque Del Rio Renovations and Improvements and Agreement between Owner and Contractor; Lockwood Construction Company. (Brian Drypolcher)
 - A. Request for Approval of Budget Increase – Project Fund
7. Request for Approval of Construction Improvements – Hillside to Cross of The Martyrs Pedestrian Improvements Project using Bid 12/02/B On Call Roadway & Trails Construction Services Agreement; TLC Plumbing & Utility. (LeAnn Valdez)
8. Request for Approval of Services Agreement – FY 2013 Paratransit Services for Santa Fe County Residents; City of Santa Fe and St. Vincent Hospital d/b/a Christus St. Vincent Regional Medical Center. (Jon Bulthuis)
9. Request for Approval of Professional Services Agreement – Third Party Administrative Services for Comprehensive Insurance Coverage, Claims Administration, and Broker Services for City of Santa Fe; Cannon Cochran Management Service, Inc. (Barbara Boltrek)
10. Request for Approval of Second Request for 2010 General Obligation Bond Award and Agreement – Supplement Local Funding for Library Materials for Santa Fe Public Library; State of New Mexico Department of Cultural Affairs, State Library Division Fund 47800 Capital Appropriation Project. (Patricia Hodapp)
 - A. Request for Approval of Budget Increase – Grant Fund



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JULY 30, 2012 – 5:00 P.M.

11. Requested for Approval of Procurement under State Price Agreement – Two (2) work Trucks and One (1) Backhoe for Facilities Maintenance Division; Don Chalmers Ford and Adobe Truck & Equipment. (Robert Rodarte)
12. Request for Approval of an Ordinance Amending Section 24-2.6 SFCC 1987 to extend the Truck Ban currently in place on Camino Carlos Rey to Calle de Oriente Norte. (Councilors Trujillo, Bushee and Dimas) (John Romero)

Committee Review:

Public Works (approved)	07/23/12
City Council (request to publish)	08/08/12
City Council (public hearing)	09/12/12

Fiscal Impact – No

13. Request for Approval of an Ordinance Amending Section 20-2.2 SFCC 1987 to Amend the Definition of Panhandling. (Councilors Trujillo, Bushee, Dimas and Rivera) (Krishna Picard and Alfred Walker)

Committee Review:

Public Safety (approved)	07/17/12
Public Works (approved)	07/23/12
City Council (request to publish)	08/08/12
City Council (public hearing)	09/12/12

Fiscal Impact – No

END OF CONSENT AGENDA

DISCUSSION

14. Request for Direction and Approval of Proposal for Extended Employee Wellness Program. (Susan Perry, Ph.D and Ivie Vigil)
15. OTHER FINANCIAL INFORMATION
16. MATTERS FROM THE COMMITTEE:
 - A. Report on Occupancy Tax Advisory Board (OTAB). (Jim Bradbury)



Agenda

**FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JULY 30, 2012 – 5:00 P.M.**

17. 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.

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**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, July 30, 2012**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – JULY 16, 2012	Approved	3
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 20-2.2 SFCC 1987, TO AMEND THE DEFINITION OF PANHANDLING	Approved [amended]	3-10
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR DIRECTION AND APPROVAL OF PROPOSAL FOR EXTENDED EMPLOYEE WELLNESS PROGRAM	Approved [amended] w/direction to staff	10-25
<u>OTHER FINANCIAL INFORMATION</u>	None	25
<u>MATTERS FROM THE COMMITTEE</u>		
REPORT ON OCCUPANCY TAX ADVISORY BOARD (OTAB)	Information/discussion	26-27
ADJOURN		27

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, July 30, 2012

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 5:00 p.m., on Monday, July 30, 2012, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Patti J. Bushee
Councilor Christopher Calvert
Councilor Bill Dimas
Councilor Peter N. Ives

OTHERS ATTENDING:

Dr. Melville L. Morgan, Director, Finance Department
Melessia Helberg, Stenographer.

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

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

3. APPROVAL OF AGENDA

MOTION: Councilor Ives moved, seconded by Councilor Dimas, to approve the agenda, as presented.

VOTE: The motion was approved on a voice vote, with Councilor Ives, Councilor Dimas and Councilor Calvert voting in favor of the motion, no one voting against, and Councilor Bushee absent for the vote.

4. APPROVAL OF CONSENT AGENDA

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

VOTE: The motion was approved on a voice vote, with Councilor Ives, Councilor Dimas and Councilor Calvert voting in favor of the motion, no one voting against, and Councilor Bushee absent for the vote..

CONSENT AGENDA

6. **BID NO. 12/26/B – SANTA FE RIVER PARK – EL PARQUE DEL RIO RENOVATIONS AND IMPROVEMENTS AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; LOCKWOOD CONSTRUCTION COMPANY. (BRIAN DRYPOLCHER)**
 - A. **REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.**
7. **REQUEST FOR APPROVAL OF CONSTRUCTION IMPROVEMENTS – HILLSIDE TO CROSS OF THE MARTYRS, PEDESTRIAN IMPROVEMENTS PROJECT USING BID 12/02/B ON CALL ROADWAY & TRAILS CONSTRUCTION SERVICES AGREEMENT; TLC PLUMBING & UTILITY. (LeANN VALDEZ)**
8. **REQUEST FOR APPROVAL OF SERVICES AGREEMENT – FY 2013 PARATRANSIT SERVICES FOR SANTA FE COUNTY RESIDENTS; CITY OF SANTA FE AND ST. VINCENT HOSPITAL D/B/A CHRISTUS ST. VINCENT REGIONAL MEDICAL CENTER. (JON BULTHUIS)**
9. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – THIRD PARTY ADMINISTRATIVE SERVICES FOR COMPREHENSIVE INSURANCE COVERAGE, CLAIMS ADMINISTRATION, AND BROKER SERVICES FOR CITY OF SANTA FE; CANNON COCHRAN MANAGEMENT SERVICES, INC. (BARBARA BOLTREK)**
10. **REQUEST FOR APPROVAL OF SECOND REQUEST FOR 2010 GENERAL OBLIGATION BOND AWARD AND AGREEMENT – SUPPLEMENT LOCAL FUNDING FOR LIBRARY MATERIALS FOR SANTA FE PUBLIC LIBRARY; STATE OF NEW MEXICO, DEPARTMENT OF CULTURAL AFFAIRS, STATE LIBRARY DIVISION FUND 47800 CAPITAL APPROPRIATION PROJECT. (PATRICIA HODAPP)**
 - A. **REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**
11. **REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – TWO (2) WORK TRUCKS AND ONE (1) BACKHOE FOR FACILITIES MAINTENANCE DIVISION; DON CHALMERS FORD AND ADOBE TRUCK & EQUIPMENT. (ROBERT RODARTE)**

12. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 24-2.6 SFCC 1987, O
EXTEND THE TRUCK BAN CURRENTLY IN PLACE ON CAMINO CARLOS REY TO CALLE DE
ORIENTE NORTH (COUNCILORS TRUJILLO, BUSHEE AND DIMAS). (JOHN ROMERO)
Committee Review: Public Works (approved) 07/23/12; City Council (request to publish)
08/08/12; and City Council (public hearing) 09/12/12. Fiscal Impact – No.
13. *[Removed for discussion by Chair Dominguez]*

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – JULY 16, 2012.

MOTION: Councilor Calvert moved, seconded by Councilor Ives, to approve the minutes of the Regular Finance Committee Meeting of July 16, 2012, as presented.

VOTE: The motion was approved on a voice vote, with Councilor Ives, Councilor Dimas and Councilor Calvert voting in favor of the motion, no one voting against, and Councilor Bushee absent for the vote..

Councilor Bushee arrived at the meeting

CONSENT CALENDAR DISCUSSION

13. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 20-2.2 SFCC 1987, TO
AMEND THE DEFINITION OF PANHANDLING (COUNCILORS TRUJILLO, BUSHEE, DIMAS
AND RIVERA). (KRISHNA PICARD AND ALFRED WALKER) Committee Review: Public
Safety (approved) 07/17/12; Public Works (approved) 07/23/12; City Council (request to
publish) 08/08/12; and City Council (public hearing) 09/12/12. Fiscal Impact – No.

A proposed Amendment proposed by staff is incorporated herewith to these minutes as Exhibit "1."

Chair Dominguez said the primary reason this is removed for discussion, is because of the proposed amendment.

Councilor Bushee said she would like to give Legal the opportunity to present the amendment.

Krishna Picard, Assistant City Attorney, said there was a typographical error and they added "to include non-vocal solicitations."

Councilor Bushee said we dealt with this 1-2 years ago, and asked Ms. Picard to describe the difference in the approach. She said the last time this Committee dealt with panhandling, we were instructed to not include non-vocal solicitations, and asked staff's reasoning for this change, in terms of constitutional issues.

Ms. Picard said two years ago we were overly-cautious and since then, the City Attorney's Office has done an extensive constitutional review and at this point feels what "we're taking off prevents us from discriminating against the verbal and non-verbal speech which is important." She said this amendment will prohibit us from discriminating, based on access, to whether a homeless person has a marker and a sign. She said, essentially, this makes this constitutionally fair and permissive.

Councilor Calvert said a big question is that he thought he remembered hearing that Albuquerque had a different slant on what is allowed and not allowed, and had more prohibitions on panhandling. He asked if Legal has any knowledge about that or could comment.

Ms. Picard said they haven't looked into the Albuquerque changes. She said the City hasn't changed its regulations under 20-2.3, and the regulations have been in effect for a long time. These regulations spell out the times that are appropriate, the motor vehicles issues around them, aggressive panhandling and such.

Councilor Calvert said he would request that staff look at what Albuquerque allows and doesn't allow, as a reference point before this goes to the City Council – are we more permissive or more restrictive – and if there is leeway either way.

Chair Calvert said he is trying to make sure everything is covered under the amendment. He referenced packet page 6, Section 20-2.2(A) in Definitions which provides in part: "....without limitation, seeking donations by vocal appeal; or..." He asked if this portion has been amended.

Ms. Picard said this was addressed in the amendment sheet which was handed out [Exhibit "1"].

Councilor Calvert asked how we make this change jive with the safety issues. He said he can understand newspaper hawkers, because they wear the green vests. However, we also have demonstrators that stand in medians and on street corners. He asked how is sitting beside the road more safe.

Mr. Zamora said, "What the City has thus far chosen to do, is to regulate panhandlers who aren't necessarily trained as far as public safety, their actions within the median. So I guess what the conclusion is on that, is that the City has thus far chosen to regulate panhandlers in medians within 20 feet of an ATM, and also at bus stops around buses, examples like that, but has but has not chosen to do the same for newspaper vendors."

Councilor Calvert reiterated that he isn't as concerned about the newspaper vendors because they wear vests which make them stand out, and gets people's attention to be careful. He said we basically are talking about freedom of speech, and such. He asked, "How does sitting passively in the median or on a

street, any more of a safety hazard than demonstrators waving placards in people peoples' faces as they drive by." He said both are First Amendment issues, and asked if one is less safe than another."

Mr. Zamora said, "The difference between the two is that passers by are observing and still passing through, whereas the person that's soliciting is actually trying to approach, walk through traffic, stop passers-by to solicit them for information. One of the problems with public safety, is the increased chance of stepping into a roadway, or bringing the car to a stop when traffic needs to flow through and potentially causing an accident. It's the actual necessitation in soliciting to stop traffic."

Councilor Bushee asked the reason why this change is being made. She said in the past, there has been a young man who sat in the middle of the sidewalk in front of a restaurant at Galisteo and Alameda. He didn't say anything, but he had a sign asking for money, which isn't active panhandling, and is non-verbal. She asked how that differs from free speech.

Mr. Zamora said, "The point you raise is a very good point, and that actually is the intent of these amendments. Right now we have an impermissible distinction between a verbal request and an oral request. So the Ordinance as currently written, and as panhandling is currently defined, Panhandling is currently defined only as a verbal request. And so we've regulated verbal requests to say you cannot stand next to an ATM and ask for money. What had inadvertently happened 2 years ago, was that we wanted to show respect for persons who passively panhandle. That is not banned through these amendments."

Mr. Zamora continued, "What the amendments do is bring the passive panhandling into the same place as active panhandling. So the person holding the sign, under the current ordinance, isn't panhandling, therefore obstructing a sidewalk isn't prohibited. You could hold a sign right next to the ATM currently as someone is punching in their security code, because it is not defined as panhandling. However, if you're verbally soliciting money from someone at an ATM, you have to set back 20 feet. So, the unintended consequences of being respectful, making a respectful statement toward passive panhandling is that person was fully excluded from regulation and therefore, we still have public safety concerns of people weaving in and out of medians in traffic, and public safety concerns of obstructing sidewalks, or being approached in places where people can't get away from the panhandlers. So, these amendments are to bring it all into conformance, and treat verbal and passive panhandling the same. Again it remains permissible, but subject to certain restrictions."

Chair Dominguez talked about someone showing him a port in his stomach, talking bout a medical procedure, and asking for money.

Councilor Bushee interrupted, saying she is still trying to get an answer from Mr. Zamora – how are the police going to enforce this, reiterating her example of the young man in the middle of the sidewalk.

Mr. Zamora said, "Making passive panhandling subject to the same regulations as verbal panhandling would fall under the regulations beginning on page 6, Section 20-2.3 which provides:

- A) Panhandling is prohibited on any day after sunset or before sunrise within the Business

Capitol District. Mr Zamora said, "That is a constitutionally permissible provision. All of these regulations are constitutionally permissible.

- B) Panhandling is prohibited involving any operator or occupant of a motor vehicle that is in traffic on or entering any street, street intersection, alley or other public passageway.
- C) Panhandling is prohibited when either the panhandler or the person being solicited is located at any of the following locations:
 - (1) At a bus stop;
 - (2) in any public transportation vehicle or public transportation facility;
 - (3) in or on any private vehicle or conveyance;
 - (4) in a sidewalk café;
 - (5) within 20 feet in any direction from an automatic teller machine or entrance to a bank;
 - (6) within the median of a street; or
 - (7) on school property."

Mr. Zamora continued, "So again, this paragraph on the regulations starts with Panhandlers are subject to these regulations. The definition, as currently written, excludes passive panhandling and that's where the unequal treatment is. If someone doesn't have access to a pen and piece of cardboard, they can't do what's on this list.... " Mr. Zamora was interrupted at this time.

Councilor Calvert said then he is saying on packet page 7, a person can't be panhandling, verbally or non-verbally, within 20 feet of an ATM or a bank after the changes.

Mr. Zamora said this is correct, after the changes.

Councilor Calvert said, for the person on the sidewalk, it would appear, under F on packet page 7, he would be able to do that as long as he doesn't block the sidewalk and he isn't soliciting from motorists only from pedestrians.

Chair Dominguez said he will recognize Councilor Bushee, because we aren't getting a clear answer, commenting Mr. Zamora is just reiterating what is in the packet. He asked Mr. Zamora to be as clear as possible.

Councilor Bushee Bushee said she sees what is in the packet, commenting she wants to know the reason for the change, and "if we've stepped on any toes constitutionally."

Councilor Bushee said, "So back to the same person... so there is a.... also I have, and I'm in the downtown area, there is a gentleman that was, I guess, considering himself a busker selling lavender, bundles of lavender. He was aggressive, so he wasn't passive, but he wasn't busking either. He was really in violation of our Busking Ordinance. Would he now be allowed to stand passively on a sidewalk, not blocking the sidewalk, with a sign that says, not that he is a busker but, 'I need help. Please contribute. Take some lavender'."

Mr. Zamora said, "That's more of a complicated question than it appears. The short answer is, panhandling isn't all out banned, nor are we allowed to all out ban panhandling. Panhandling may take place in the public arena, subject to certain restrictions. So, the first example you described... thank you Councilor Calvert for pointing out Paragraph F..."

Chair Dominguez said, "I think we know that panhandling is not outright prohibited, so I think we need to....."

Councilor Bushee asked for an example as to when it might be allowed – "so Mr. Lavender, not seller, but giver-away of lavender with a sign, not verbal, not blocking the sidewalk, not standing for more than 2 hours in the same location, would he be allowed, and it is a man in that case, would be allowed to panhandle passively."

Mr. Zamora said, "I'm doing my best. I'm trying not to get too caught up in the details. Essentially, panhandling is permitted, period. So in public, we're not talking about private property... let's start with private property so we can exclude that..."

Councilor Bushee said, "That's on the sidewalk, this guy is."

Mr. Zamora continued, "Right. So private property is up to the private property owner. So in the public forum, panhandling is permitted, whether that's on sidewalks, so long as you're not blocking the sidewalk and so long as you're not staying in one area for more than 2 hours. So it is permitted. What you cannot do is panhandle in places where people are stuck and where they can't get away from you. When they're standing in a line to get into a business, when they're standing at an ATM, when they're coming out of a bank, places that they're likely to have money. Or if someone is waiting at a bus stop, and can't move anywhere. They're waiting for the bus, and the bus isn't coming for 10 minutes, you cannot panhandle at that bus stop, nor can you panhandle in places where people are, for all intents and purposes, trapped. Like public transportation. You're on a public bus. Someone can't go up and down the aisles and panhandle. So, but for all of those situations, and you can't do it in the medians which is dangerous. And in the BCD, you can't do it after sunset and before sunrise. But beyond that, to comply constitutionally, panhandling is permitted."

Councilor Bushee said then in the case which she described is the person panhandling legally.

Mr. Zamora said, "The answer is, that particular individual was not complying with the law, for other reasons other than panhandling. One, he was either selling without a business license – here's sage in exchange for money – or he was violating the busking ordinance."

Councilor Bushee said he isn't selling and has a sign saying, I need money, please help, and you know, take some lavender.

Chair Dominguez said these are real life situations and we will need the answers.

Mr. Zamora said, "It's the providing of the lavender that's giving me trouble because again, the individual is selling something or has agricultural issues. And I know we've done the research on that, that the transfer of an agricultural item has risks on it too. So, I believe we can stop the transfer of lavender, but that individual on a public sidewalk can stand with a sign. So, removing lavender from that question, that same individual, under the current Ordinance and after the revisions can still stand on the sidewalk with the sign."

Councilor Bushee said, "Let me give you another example. There's a gentleman, or used to be a gentleman in town with a dog, a cat and a rat, and they stood on the Plaza. I don't think they aggressively solicited anything, but it was more or less a form of entertainment, and money sometimes was exchanged. Then people had concern about the animals being abused. I'm just trying to, you know, are they allowed. Because we've had certain situations where people have really been problematic in some ways, and I want to make sure that.... it sounds like we've said you can't do it in so many places, that I want to make sure that we're not outright prohibiting it."

Mr. Zamora said, "We are talking about two very similar issues. One being busking, which the City licenses, money in exchange for a performance of an art form. And the question would be, whether the mouse on top of a cat on top of a dog would be performance of some kind, laughable, but serious. And so is that a performance, and if so then that is subject to the busking Ordinance."

Councilor Bushee said, "I'm asking you these questions as if I was a police officer determining what I have to do, because we get calls about these kinds of situations. That's all I'm asking. Is he busking, is he soliciting, panhandling passively. What is he doing."

Mr. Zamora said, "The answer is the mouse on top of the cat on top of the dog is a performance, and people are giving [money], based on that performance, and that individual is subject to the Busker's Ordinance, which requires licensing. If they don't have a license for that performance, then they are in violation of City Code, and it has both civil and criminal penalties. If that person is just sitting on their own, without that performance soliciting funds, then they are not subject to licensing requirements, but subject instead to the regulation. If downtown, can't do it after dark or before sunrise, must move every two hours, and again must be in a public space and not blocking the sidewalk, and can't be on the private property without the private property owner's permission, which I think fell into some of those examples. I think in those two particular instances they would locate themselves on private property and the private property owner wouldn't move them away."

Councilor Bushee asked if there is a distinction for those holding a sign that says, "will work for food." Is that panhandling.

Mr. Zamora said under the definitions, that example would be panhandling, that falling under "other gratuity."

Councilor Dimas said this is going to be a nightmare for law enforcement. For example, on packet page 7, Item G provides, "Panhandling at one location longer than two (2) hours is prohibited and the panhandler shall not return to that same location for two hours." He said location isn't defined. He said, for

example, if the police move him because he's been in a place for two hours, he will move two feet from that location, and basically be in the same location, and asked what the police can tell him. He thinks location needs to be spelled out.

Councilor Dimas said he believes there is another problem with street vendors who get into the traffic to sell a paper and stop traffic from moving at busy times. He doesn't know how to resolve this, but perhaps we could work with the vendors in this regard.

Council Calvert said, "I agree with Councilor Dimas on the logic you gave me for the passive person. You're saying me might impede traffic by, when, if somebody takes him on the officer, they might have to pull over or something." He said the same thing happens with newspaper vendors, especially where there's 3 lanes of traffic on a green signal and the transaction always isn't on the inside lane, and they move through the traffic, impeding traffic. He said staff needs to look at this in terms of consistency and the logic of applying it to one but not the other. He said the man with lavender might fall under Panhandling Definition B, where you have him offering something with little or no monetary value, it is still implied that you're making a donation, so it's probably panhandling."

Councilor Calvert asked if we would like to be more specific in terms of location.

Chair Dominguez said the Committee has asked for further clarification, and he will leave it to the Committee as to whether to bring this back to Finance or move it forward to Council with or without a recommendation.

MOTION: Councilor Ives moved, seconded by Councilor Calvert, to approve this request, with direction to staff when this goes to the Council, that it be accompanied by amendments dealing with the issue of what constitutes a location for the purpose of causing people to move, and perhaps adding language that describes the distance from an entrance to clarify the parameters.

DISCUSSION: Councilor Bushee said she and Councilor Dimas are cosponsoring this legislation with Councilor Trujillo and said she believes it needs another pass through this Committee so we aren't doing this kind of fine tuning at the City Council meeting.

Responding to Councilor Dimas, Mr. Zamora said what is in the packet is an unusual notation, a compiler's note that this section was passed in Ordinance 2010-31.

Councilor Dimas said this needs to come back to this Committee before moving it forward to the City Council.

Chair Dominguez said he also would like to see this item come back to this Committee.

WITHDRAWAL OF MOTION: Councilor Ives withdrew his Motion.

MOTION: Councilor Calvert moved, seconded by Councilor Bushee, to accept the amendments to this item, and to postpone this item to the next meeting of this Committee, with direction to staff to provide the requested information by the next meeting.

DISCUSSION: Mr. Zamora said these recommendations arose after feedback from the Police Department to close that loophole.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

14. REQUEST FOR DIRECTION AND APPROVAL OF PROPOSAL FOR EXTENDED EMPLOYEE WELLNESS PROGRAM. (SUSAN PERRY, PHD. AND IVIE VIGIL)

The Committee commented and asked questions as follows:

- Chair Dominguez asked if this is a benefit or an incentive, noting in the past, we have been told we could not provide these kinds of incentives. He said this is an important point of clarification – the difference between an incentive and a benefit.

Mr. Pino said he is here because the Recreation Division is in the Public Works Department, and because Sue Perry has been directly reporting to his office for the better part of two years. His intent was to provide an overview of what we provide, noting Ivie Vigil, Sue Perry and Cindy Connolly of United Health Care are here to answer questions.

Cindy Connolly with United Health said the wellness program is an incentive and not a benefit, because it's open to participation, and if you don't participate then you don't earn the incentive.

- Chair Dominguez reiterated that in the past the Governing Body was told it couldn't do incentives because of the tax implications.

Ms. Connolly said there are tax implications for anything that is earned, and people are required to report any incentive. She said other New Mexico cities participate in a wellness program that offers incentives.

- Chair Dominguez asked the staff's position on this issue.

Mr. Pino said they are looking at this as an incentive because it is elective. He said Ms. Vigil told him there were tax implications for benefits and not incentives. He said they will need to do some more in depth checking on that particular issue.

- Chair Dominguez wants that in writing from Legal so we don't get "bumped by the IRS."
- Councilor Calvert said a gift card has monetary value and you still have to declare that incentive on your personal income tax.

Mr. Pino that came from the IRS so he will check on that issue.

- Councilor Bushee asked if all employees in the wellness program will have free access to Genoveva Chavez.

Mr. Pino said the plan is to create a wellness program with 3 tiers, to help improve the health and wellness of employees participating in the program through the programs offered and participation at the centers.

- Councilor Bushee asked if this reduces the revenue stream to GCCC and if so, by how much.

Mr. Pino said it is estimated 15% of the employees would use this, which would add 4% to the number of people going to the Center in a given year.

- Councilor Bushee asked what happens to people who already are paid members.

Ms. Vigil said if an employee currently has a payroll deduction for the Center, when this is implemented, the deduction will stop and the employee and dependents can enter with a United Health Care card. Therefore, they will lose that \$42,000 in revenue. She said this does not include the drop-ins, such as children who drop-in whose parents work for the City. She said they have no way to track drop-ins at Genoveva Chavez, but they know at a minimum they will lose \$42,000 in payroll deductions.

- Responding to Councilor Bushee, Ms. Vigil said this is for City employees and dependents insured with United Health Care.
- Councilor Calvert said it says "employees and covered adult dependents, so it isn't the whole family.
- Chair Dominguez said this differs from what we were told at Council.

Ms. Vigil said what they are saying is that whoever carries the insurance is the adult. She said if there is another adult on the insurance, it would be both adults and all dependents. She said it would only include the drop-in rate into the membership, noting lessons, skating rentals, rentals, Leagues, clinics and camps are not included.

Responding to Councilor Bushee, Susan Perry she worked with the City Manager on the tiered incentive plan with the idea that the City can't do everything in one year. She said United Health Care can track who has done this and get a report at the GC, so they know who has done the biometric testing. She said to get full coverage, then both adults need to complete the testing. She said the big issue is that the City is drowning in insurance costs and claims, and this is part of increasing engagement.

- Chair Dominguez said the Committee understands the intent.
- Responding to Councilor Bushee, Ms. Perry said this is the way that Robert Romero wanted to organize the wellness program, with the idea that we have to educate people and build them into the different levels. She said we may not want to invest in year one for both the gift card and the cost of GCCC membership. She said the idea was that we might want to go into this more gradually because of the cost.
- Responding to Councilor Bushee, Ms. Perry said she didn't choose the GCCC. She said Ms. Vigil is the expert on the cost portion.
- Councilor Bushee wants an answer from Legal as to whether there is an anti-donation concern in what we're doing. She is more concerned about the physical health of the GCCC – that we haven't fine tuned and spelled it out.

Ms. Perry said the bottom line is that opening the GCCC isn't going to change the status of the health of our City employee population, noting some people will take advantage of it. She said it something the City has indicated that it wants to do, but it isn't going to change the face of employee health.

- Chair Dominguez said that differs from what was told to the Council, and the idea was to provide these kinds of benefits/incentives so employees can get healthier and theoretically reduce the City's health care cost.

Ms. Perry said she was not at that meeting, and this is not her recommendation. She said there is a big gap between people knowing what is good for them and getting them to do it.

Mr. Pino said Vicki Gage can talk more about the incentive/benefit piece and Judy Amer can address the anti-donation question. He reiterated that anyone who is on the insurance card can avail themselves of the program.

- Councilor Calvert said we could do the Tier 1 in the first year and look at results, but doesn't believe we could get a picture as to whether it would have the desired effect, because that will take about a year, and this won't be implemented until mid-year. He said we're going to require only the employee to do the screening, while everybody in the family gets to go to the GCCC.

- Chair Dominguez said when this was first brought to the Finance Committee, the Memo was clear about providing this benefit to employees. He said it was approved at the Council to include employees, family members and dependents, and now he's hearing it is changing again. He said he isn't feeling very comfortable about this.

Ms. Gage said the Group Insurance Benefits Committee first came up with this idea when they were working out the premium increases and looking at last year's costs. She said there was a discussion about if we had healthier employees, healthier family members, the overall claims cost would go down. She said during those discussions, the Committee recommended that employees and family members could use the GCCC to become healthier, with the bottom line being reduced insurance costs. Ms. Gage said it went to Finance with employees. She said they were meeting weekly with the Group Insurance Committee during the budget process. She said the Finance Committee was amenable to this. She said the Committee said it also intended for family members to be a part of this, meaning no family members who were dependents on the employees health insurance. She said it was changed between the Finance Committee and the Council meeting.

Ms. Gage continued, saying it was proposed as an incentive. The difference between an incentive and a benefit is that if everybody gets it, it would be taxable to the employee. She said United Health Care has a program in place which incentivizes employees and their families to get healthy. The incentive would be available to all employees, but they would have to follow the Wellness Program which United Health has in place in order to qualify for the incentive. She doesn't believe every employee would be rushing to use GCCC, and it would be those who are willing to sign up for the wellness program.

- Chair Dominguez asked if we are extending this beyond the employees, dependents and family members.

Ms. Gage said it would be for an employee and an adult dependent on their health insurance. She said most likely it would be their spouse or domestic partner. She said after it was approved by Council and the parameters for the wellness program started to gel, for it to be a true incentive and a bottom line effect on our health insurance, it has to be set up where the employee has the biometrics.

- Chair Dominguez asked if all of this was worked out after the fact, and if so, that disturbs him. He said he definitely is not sorry he brought this back to the Finance Committee.

Ms. Gage said that is a fair statement.

- Chair Dominguez said this is troubling. He said we have only mentioned the GCCC. He asked if this program is intended for all employees at any facility, and if so, why doesn't it say that. He said this sounds to him like a little of the animosity that may exist between General Fund and enterprise or special revenue funds.

Responding to the Chair, Ms. Gage said employees have been able to go to Salvador Perez and Ft. Marcy all along.

- Chair Dominguez asked if this program is intended to accommodate all employees at every site, and Ms. Gage said yes.
- Chair Dominguez asked why it doesn't say so. He said when this was approved previously at the Finance Committee and the City Council, as well as today, we're not including the other sites, so there could be some confusion there.

Ms. Gage said she apologies that it isn't clear, and thinks it is because the Committee felt it was a given that employees would still go to Ft. Marcy and Salvador Perez because they had been doing so in the past.

- Chair Dominguez asked, "It was a given to whom."

Ms. Gage said to the Benefits Committee, because they knew employees were still going to Ft. Marcy and Salvador Perez, so the discussion always about GCCC, because employees weren't allowed to go there for free.

- Chair Dominguez said it just says GCCC and has throughout this discussion. He said the Governing Body makes these decisions. He said some people might think we're micromanaging, but the Governing Body has to answer to the taxpayers who are subsidizing this to a large degree. He said we have to be sure these issues are clear when they come to the Governing Body and that they're spelled out correctly.
- Councilor Dimas asked, for clarification, what was approved at the City Council meeting. He said the Memorandum, Paragraph 8(i) says, "...Provide employees and their family members who are covered dependents on the employees City of Santa Fe Health Insurance Plan, full access to the Genoveva Chavez Community Center..." He asked if this is what they approved at Council and is this the language they approved.

Mr. Pino said this is the way it read, and there were a lot of questions about whether we quantified how much it would cost, what the wear and tear would be and such. He said from those questions came this program, so it was done after the fact as the Chair said. He said if you read the Memo carefully, it does answer some of the questions that came subsequent to that, so it does talk about it, including all the recreation facilities. He said the discussion about biometrics screening addresses itself to the employee and adult dependent. He said they discussed among themselves, that the children are not at risk as the same level as the adult or the adult dependent for a lot of the things we are seeking to help improve – diabetes, stress, cancer, smoking cessation, drinking and those things.

Mr. Pino continued, saying the Committee needs to read through the entire document in order for one part of it to connect to the other part of it, so in that vein, it is just a little unclear. He said most

of this has been fleshed out over the last two months, going through what a real wellness program would be. He said they didn't want this just a give-away or go to the center for free "and knock yourself out." He said there had to be some sort of insurance payback, and the only way to quantify that was to create the data base and the baseline, and anything to compare whether any of this is having the positive effect on people participating in the program.

- Councilor Dimas said it appears to him that we are going to have to go back and completely change what we've already done. He said if we choose to implement the 3 tiers, we've already approved the other wellness program, including the GCCC. He is unsure how to proceed, except to go back and completely relook at this.
- Councilor Calvert said this is in the budget, and asked if it was in the collective bargaining agreements as well. He said if it is specified in those agreements, we may not be able to go back.
- Chair Dominguez asked if it was discussed with the unions.

Mr. Pino said he doesn't know whether this was discussed in the Police and Fire union negotiations, but it was not discussed at the AFSCME negotiations because he was a part of that.

Ms. Gage said the Benefits Committee includes representatives from all 3 unions, and it was discussed in that venue and during the committee meetings. She said it was at their suggestion, in order to promote wellness..."

- Chair Dominguez asked when it was discussed.

Ms. Gage said during the budget process during the time it came to Finance the first time and then to Council.

- Chair Dominguez asked if it was the "idea or the actual."

Ms. Gage said it was the idea. She said what was presented for approval was approval for employees and their covered dependents to be able to use the GCCC free of charged. She said what has happened between then and now is that Recreation is flushing out the procedure as to how employees would access it.

- Councilor Bushee said she was out of town during these discussions and when she came back she was told by a friend that City employees now have free memberships at the GCCC, which she didn't believe was the case, but it was. She said this is a benefit not an incentive. She asked why this wasn't raised and negotiated during the budget process when we were talking about providing new benefits to employee. Secondly, although United Health will pay for the screening, the taxpayers are paying for this subsidy.

- Ms. Gage said it was discussed during the budget process at the Finance Committee during the discussions on health insurance costs. She said it wasn't discussed in detail. However, in discussing how to curtail costs, there were recommendations in the Memorandum just referred to by Councilor Dimas, from the Health Insurance Committee, one of which was to allow employees to access the GCCC for wellness.
- Councilor Bushee asked if there was an option for the health fund to pay for this benefit.
- Ms. Gage said the Health Fund pays United Health Care, and in turn, United Health provides this service.
- Councilor Bushee is concerned that the taxpayers are paying for a benefit we've given the City employees, including the City Council.
- Ms. Gage asked, for clarification, if Councilor Bushee is asking if the Health Fund would cover the costs at GCCC.
- Councilor Bushee said she is concerned about how we're paying for the subsidy at the GCCC, without knowing exactly how much it costs, and no correlation with the success of the program.
- Ms. Gage said this is the reason it was decided to go into a full-blown wellness program, because there would be no way to measure...
- Councilor Bushee said every budget cycle we put more money into the GCCC, tax dollars, into a program that was supposed to be an enterprise fund operating on its revenue. She reiterated that she wasn't present at the meeting for that discussion.
- Chair Dominguez said this Committee did discuss this, and there was a recommendation to pay the cost back from the Health Care Fund, but that information isn't in this packet. He said there was no decision and it was brought back to the Committee.
- Councilor Bushee reiterated her concerns that this is a direct taxpayer subsidy.
- Mr. Pino said all benefits are subsidized by the taxpayers, and this is yet another if this Committee decides go this route.
- Councilor Bushee said, "You already did it."
- Mr. Pino said what you don't know is that this was an 11th hour addition during the budget, and one of the primary questions which came out of subsequent discussions was: How do we know any of this is going to even work. He said this is the reason staff spent the past month, since the last time this was discussed, making sure had a program we could present to say this is how a wellness program can be put together, and how there can be some metrics to measure whether or not there is success.

Mr. Pino said Councilor Dimas is correct in that the plan needs further detail and fleshing out and he can prepare this for the Committee as well. However, this was done in response to the discussion at the last meeting which left a lot of unanswered questions, in fairness to the Council and Committee members, which they sought to have answered, which are answered in today's memorandum.

- Councilor Bushee said she is still trying to get an answer from Mr. Vigil on the number of employees and their dependents who are GCCC members.

Ms. Vigil said at the GCCC there are 87 members for \$42,000. She said there are 48 family members which is included in the 87 – 20 couples, 17 adults and 2 senior couples.

- Councilor Bushee asked what other “populations or communities” does the City subsidize.

Ms. Vigil said the City offers the 15 punch pass for Senior Olympics for all sites.

- Councilor Bushee asked the reason we didn't start this program with a punch pass.

Mr. Pino said this is the program staff put together, and they can certainly do that. He said, however, we need something with enough longevity so the results can be measured, noting 15 visits to a recreation center are

- Councilor Bushee asked Mr. Pino if he and his family are members.

Mr. Pino said, “No. I'm a member of the street club and I go out and run.”

- Councilor Bushee said that doesn't cost anything “other than when the ambulance has to come for you.”

- Responding to Councilor Bushee, Chair Dominguez said it was approved at the last Council meeting.

- Councilor Ives said, “I do recall our discussions regarding implementing a wellness program during our budgetary hearings, and I recall talking about the dollars involved at the GCCC. And, as I recall, that was the focus of those discussions, because participation at Ft. Marcy and Salvador Perez were already without cost to City Employees. I note here in Section 3 on page 4 of the packet, you do use the word incentives several times in describing the nature of this program, so that certainly does appear to be what was intended here, at least based upon the language in the Memo. And I suspect that's very intentional to avoid issues relating to benefits that might implicate the negotiations with the unions, because benefits are necessarily part of those discussions.”

Councilor Ives continued, “And as I understand it, what you've done here is brought this back to Council having put flesh on the skeleton if you will, when we said let's do a wellness program that has a particular context in terms of trying to incentivize your employees to take advantage of it,

and presumably actually produce health benefits. And so this 3 tiers that you've delineated, each one with different requirements is a sort of gradual step-up of the type of participation you hope to incentivize our City employees to engage in, with the goal of reducing our health care costs. Would that be a fairly accurate statement."

Mr. Pino said, "That's the best it's been articulated tonight, Councilor."

- Councilor Ives said there is an error in here when it refers to a City employee and an adult dependent, it's meant to include anyone who is on the United Health Card for any particular City employee. He asked, in terms of the program, if the effort is to have both the City employee and an adult dependent, presumably significant other partner, spouse, whoever that might be, to participate side by side in all the testing with the City employee to promote participation.

Ms. Perry said, "Yes, they would each need to do that."

- Councilor Ives said he is confused by the tiers, and asked if it is meant that only in year one that tier one would apply.

Ms. Perry said, "No. I think the idea certainly could be revised that we would roll out one year at a time, because each year would be an increasing expense, so that was the idea in terms of the timing of it."

- Councilor Ives said then after the 3rd year a person could participate at any one of the levels.

Ms. Perry said yes, depending on how much skin they would like to have in the game, which is what changes things.

- Responding to Councilor Ives, Ms. Perry said the idea was to the things that we know are our highest cost drivers and address those. She said these are programming things, some of which she has already piloted, but would put into place, so people could take advantage of the things they felt best suited them. She said most of the programs and contests are brought to sites. The idea is to make it very easy to participate and to take advantage of these things so they are very accessible.
- Councilor Ives said he recalls discussions about that. He understands the reason you are delineating these incentives is to get people to participate in such a way that you can manage those items.

Ms. Perry said yes. She said you then see intrinsic motivation, because people start feeling better. She said the program she devised is based on the things which cost the most in terms of claims, and when you reduce claims your insurance costs go down.

- Councilor Ives, referring to packet page 5, on Item 4, said in the first bullet it talks about GCCC membership for employees and adult dependents, revenue loss of about \$42,000. He asked if this based on a City employee and a dependent or a City employee and the people on the health care, potentially multiple dependents.

Ms. Vigil said that was based on the current payroll deductions, members that we have currently.

- Councilor Calvert said he is hearing mixed messages. He said Ms. Perry said previously that this kind of program won't have an impact on insurance claims. However, when Councilor Ives was discussing it with Ms. Perry, he thought she said this is what we were trying to do.

Ms. Perry said when she was asked to work with United Health care on this, GCCC was already on the table. She said the idea is that this is the level to get people more engaged in the wellness program, and she will continue to do what she has been doing. She said that, in itself, wouldn't...

- Councilor Calvert said he is hearing her say, the goal would be to do that, but whether that really materializes isn't very likely.

Ms. Perry said yes. She intends to put other targeted things, but that won't be enough of an incentive to take us to 40% participation in 3 years, or reduce insurance claims. She said it is part of a program behind the City's goal to make this a family-friendly healthy city, and having recreational facilities available on some level and that goes with the package.

- Councilor Calvert said the majority of expenses are from the adult members, and asked what percentage are the children/dependents in claims experience.

Ms. Gage said they did get that information, and she doesn't know the number, but there is a fairly wide spread between adults versus children. She said the chronic issues don't affect the younger members.

- Councilor Calvert said the things listed might be seen in minors with the exception of hypertension. He is trying to get a handle on where the dollars are being spent. He asked if there is a benefit to having the minors doing the screening as well.

Ms. Perry said screening for children is very different, and there are legal issues. However, there is evidence that when the adults in a home are following healthy practices and behaviors, it will impact the children in a very positive ways. Body mass index in children is very complex because you have to measure it into age and developmental stage, so it is something that is done well in a large screening with lots of people.

Ms. Connolly said for claims for people, for example, with diabetes, United would reach out to involve them in the clinical programs. She said the biometric screening would benefit those who have not gone to the doctor who are not aware they have a condition. There are programs for people with chronic illnesses. She said this is to capture those who are unaware of a condition.

- Councilor Calvert said he wants to know the benefit of screening to catch things before, for example, it becomes full blown diabetes. However, it doesn't sound as if the biometric screening will help because you're not doing to do it on kids.

Ms. Connolly said legally the vendor cannot screen children under 18.

Ms. Perry said they are piloting a diabetes prevention program with City employees. She said 35% of the population age 20 or older have pre-diabetes and the blood sugars are abnormal even when they don't feel it. She said there probably are 575 employees who are pre-diabetic and she wants to catch it now. She said they are trying to get the family to have a way of eating and doing things which changes the risk for children.

- Chair Dominguez said he believes the City wants to do what's best for employees, and provide them this opportunity to get healthier, even if it is a subsidy for the taxpayers because we understand the benefit and importance of our employees to the constituency. However, he is upset and concerned with the way this has rolled out. He said the discussion we've had at this meeting and the previous meeting, should have happened earlier. He said these are things that impact the taxpayers, and we need to have a discussion about that. He loves the intent and is agreeable with that. However, he is disappointed with how this came about. He is unsure how to fix what we've already approved.
- Councilor Bushee said, "I don't know that you approved what you're doing. Judy, we've always found ways around anti-donation." She asked who is paying for the \$75 gift card.

Ms. Perry said this is something the City would have to fund.

- Councilor Bushee asked the source of funding, and Ms. Perry said she doesn't know.

Ms. Gage said there is a budget of \$10,000 for doing this thing, but it won't cover the gift cards. She said what we've been doing comes out of the Health Fund. She said the wellness program would be paid from the Health Fund.

- Councilor Bushee said the Health Fund is part of the General Fund.

Ms. Gage said it will come from all funds from which employees are paid.

- Councilor Bushee recalls there are issues with the Health Fund being sustainable into the future.

Ms. Gage said this is correct, and one of the recommendations was to implement a wellness program to start mitigating costs.

- Councilor Bushee said she wants to look at the amount and source of the dollars. She asked how many employees use Ft. Marcy, Sal Perez, Bicentennial Pool. She believes the average City employee will sign up if it is free, but whether or not they use it is a different story.

Ms. Vigil said currently there are 175 City employees, full time or part time, at those centers. She said at the current rate it would generate \$58,000 if they were paying for a full membership. There are 3 temporary seasonal employees on a 3 month membership.

- Councilor Bushee asked her if she thinks there won't be a lot of employees signing up because it's free.

Ms. Vigil said she can't answer this question.

- Councilor Bushee said, "What if I just want to sign up just to get the \$75 gift card. Where will that money come from."

Councilor Calvert said that is for the next fiscal year.

- Responding to Councilor Bushee, Councilor Calvert said this hasn't been approved.

Ms. Vigil said this is just the plan to implement the program and to track the employees and their dependents entering the facility.

- Councilor Bushee asked, "If the program has no marked impact on the health of our employees in 3 years, what is the plan, because it will have been a free incentive, and we never go back on things that we do."

Mr. Pino said the City has gone back on incentives. He said we just did it at mid-year with the 3 unions. It was an arduous process, but we did go back on incentives.

Mr. Pino said, "What you have to get your head wrapped around in this program, and this is the hard part, is this is essentially a bet on the future. We can't quantify or give you numbers or tell you we're going to save this much today. We have no idea. It's going to have to be implemented and see, within a certain period, whether it succeeded or didn't succeed in lowering claims and subsequently, health costs. If it didn't, then at that point, we have to generate a Plan B. But at this point, we're doing what the Council asked us to do when they adopted the budget, and that's to put a program around a very loosely presented program back in May. So, if you can't accept that it's a bet, then this isn't something you want to support."

- Councilor Bushee asked Ms. Connolly if United offers other subsidies or benefits directly, other than the screening for wellness.

Ms. Connolly said yes.

Ms. Perry said we do, but it is \$50 for each biometric screening and it is not part of the current contract.

Ms. Connolly said they have a relationship with Project Hope in New Mexico, and they've agreed, for this year, because the City is a customer, to come in and do the biometric screening.

- Councilor Bushee asked, "As a big insurance company, one of the biggest, what are you all offering to try to keep your payouts down for your customers."

Ms. Connolly said they have several programs, most of which require a coordinator on behalf of the City – smoking cessation, weight loss programs. There is no charge, but you still need someone on the forefront to do that.

- Councilor Bushee asked what programs they have for diabetes.

Ms. Connolly said they have the Diabetes control program.

- Councilor Bushee asked if these are things we have taken the opportunity to use.

Ms. Perry said yes, noting she has done lots of diabetes programming.

- Councilor Bushee asked how many employees have used this program.

Ms. Perry said 13 employees have signed up for the Diabetes prevention pilot program and 11 currently are finishing it up.

- Councilor Bushee asked if we will be offering those programs.

Ms. Perry said part of the plan in front of you lists the kinds of things she would be offering in partnership with United Health Care.

- Councilor Bushee asked if employees go through the screening, if the City can require them to enroll in the free program.

Ms. Perry said no.

- Councilor Bushee thinks we can require it if we're giving them something, commenting she thinks this is the only way we will get more people in the program. She said, "By the way, you should also consider changing what you offer for food at the GCCC."

- Chair Dominguez said the Memo talks about a 3-year goal which is 43% participation by City employees. He asked what is the net benefit.

Ms. Perry said the higher percentage engagement you have among City employees, the better the return on the investment and the insurance cost will be way less in relationship to what the City pays.

- Chair Dominguez asked the United representative if she can quantify that after year 3. He said although it is a bet, he believes it is a good one.

Ms. Connolly said studies show it is 3 to 1 for most wellness programs assuming participation of at least 50%. However, they know through studies, there will be \$2,500 savings annually for weight loss programs, for smoking cessation it's worth \$3,400 a year.

Ms. Perry said if 5% of the sedentary population became not sedentary – getting 150 minutes of exercise a week – it would change the costs by \$40,000 per year.

- Chair Dominguez said he is interested in seeing those figures – if we meet our goal, what does that look like for future budgets.
- Councilor Calvert wants to know the costs by year and cumulatively – what the benefits would be cumulatively, if we meet certain expectations and goals.
- Chair Dominguez asked if they can provide the information.

Ms. Connolly said it depends who is participating in the program, the number of diabetics, but they could provide rough numbers based on other studies.

- Responding to the Chair, Councilor Calvert said the intent is to roll out this program at mid-year.

Mr. Pino said, "The way we've been approaching this is that we would bring all these details back to you for approval. Nothing has been rolled out, and no employees are being admitted free of charge at this point."

- Councilor Ives said during budget discussions, the speed in which we were going into a negative circumstance on health care expense, was at a rate of \$2-\$3 million a year, such that, if we didn't take action immediately, within 2 years, the fund would be negative. This wellness program was intended to be a first step to reverse that trend by eliminating the most expensive items happening which were eating up those health care costs. He agrees with Mr. Pino's assessment that this is, to some degree, an experiment, based upon recommendations from the Health Care Committee and the experience of United that these programs certainly can work.
- Councilor Ives said, "From my perspective you're doing exactly what we asked, which is let's implement a wellness program, and you've come back with the details of that wellness program, looking to us for guidance on how to implement it. That I think makes sense. The question I would have is whether or not, on the incentives, the Tier 1, Tier 2 and Tier 3, we do reference that, for instance, in Tier 2, they go through the biometric screening results and attend 2 City sponsored wellness activities or contests. What I would love to see is a little more definition on what that means. I kind of like the idea of having the incentive there if a City employee, after going through the screening, attends a recommended wellness program. For instance, if you have diabetes prevention program, the employee would be going to all the program as opposed to simply an

activity. And I'm wondering is that permissible and do we think the incentives would still hold up if we did that."

Ms. Perry said yes, noting that the Diabetes Prevention Program is a huge commitment, which basically is about nutrition and related activities. She said everything is tracked. She said if 50% of the people address the conditions, it would save the City \$1.017 million per year.

- Councilor Ives said the other way of addressing the \$2.5 million shortfall are significant raises to premiums or significant reductions to benefits, and believes is the reason we started on the wellness program as the proper approach to get a handle on those costs.

Ms. Perry said part of the logic is that we want people to earn their way into the benefits to a certain degree, so it isn't punitive, so it rewards the behavior.

Chair Dominguez thanked staff for providing the requested information. He reiterated that he has no problem with what they are doing, but the way in which it came about, and the different information which has been given. He is interested in our ability to quantify what we've talked about, so we can decide at the next budget cycle if this is something we want to continue to do. He said we really need the costs and benefits to consider this at the Finance Committee. He recommends, if approved, it would go to the Council so the entire Council has the opportunity to weigh in this, or it can come back to this Committee.

Councilor Ives said we can assume, given we are just rolling out the program, that it takes a while to implement this program and see results, we will be looking at the \$2.5 million gap and how to address it during the next budget cycle. He said we can start discussions about what we want to do, sooner rather than later.

MOTION: Councilor Ives moved, seconded by Councilor Calvert, to approve the direction that staff is taking in trying to implement the wellness program, but with direction to review the incentives in each tier to try as much significant impact in the program as possible, and to include participating by participating employees in those health wellness programs that are recommended on the basis of the screening that is done.

FRIENDLY AMENDMENT: Chair Dominguez would like to move this forward to the full Council. **THE AMENDMENT WAS FRIENDLY TO THE MAKER, AND FRIENDLY TO THE SECOND, WITH DIRECTION TO STAFF TO PROVIDE THE COST BENEFIT FOR COST BENEFIT YEAR 1, YEAR 2 AND YEAR 3. THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

FRIENDLY AMENDMENT: Chair Dominguez would like legal information in writing as to whether or not the City can provide incentives or benefits, as the case may be. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THEIR WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

DISCUSSION: Responding to Councilor Calvert, Mr. Pino said the plan was to roll out the plan on January 1, 2013.

Councilor Calvert said by the time the budget process starts, we will have very little information on which to judge the plan – virtually none. He said we will have to make a commitment and hopes the employees will make a commitment as well, noting we won't be able to make a judgement until the budget cycle after the next budget cycle.

Chair Dominguez said all of this is dependent on support by the Governing Body.

Councilor Bushee said when this comes to Council, she needs a clear and concise FIR in terms of costs.

Councilor Bushee asked if the expectation that 500 employees will be availing themselves of this program by year 2.

Ms. Perry said that would be the maximum, and the gift card is included.

Councilor Bushee asked who tracks the information.

Ms. Perry said if we go through United, they can do the tracking and documentation as well as to help administer it.

Responding to Councilor Bushee, Ms. Perry said it is a \$75 gift card and we can decide what kind it can be.

Councilor Bushee asked if this is needed to draw people into the program.

Ms. Perry said, "Oh yes."

Councilor Bushee said she needs a different figure than \$42,000, if you are projecting 500 eligible employees – do the math and tell her the cost, and she wants that by the time it comes to Council.

Councilor Bushee asked if the City can mandate participation following the screening, commenting she would like this to be a requirement.

VOTE: The motion, as amended, was approved on a voice vote, with Councilor Ives, Councilor Calvert and Councilor Dimas voting in favor of the motion, no one voting against, and Councilor Bushee abstaining.

15. OTHER FINANCIAL INFORMATION

There was no Other Financial Information.

16. MATTERS FROM THE COMMITTEE

A. REPORT ON OCCUPANCY TAX ADVISORY BOARD (OTAB). (JIM BRADBURY)

Councilor Bushee said she expected this to come with the Resolution we sent to OTAB. She said, "I had asked for the report when they came with that."

Councilor Bushee asked Mr. Bradbury if he has anything in writing.

Mr. Bradbury said no, and he didn't know exactly what was wanted. Mr. Bradbury gave an overview of the OTAB, which oversees that the Lodgers' Tax is used as provided by State law, and makes recommendations to the Governing Body. He said in April, OTAB recommended looking at generating larger events for the 36-56 year old audience, which is site-doing as opposed to site-seeing, to build a base for this group for the future.

Councilor Bushee asked Miguel Castillo to provide a report periodically about the balance in the fund, and how the funds have been spent.

Miguel Castillo, Chair, OTAB, said they meet the last Thursday of each month, noting minutes are taken and available through the City Clerk.

Responding to Councilor Bushee, Mr. Bradbury said the new director starts on Monday, August 6, 2012.

Councilor Bushee asked if OTAB makes recommendations for the waiving of fees for the CVB.

Mr. Castillo said they do not.

Councilor Bushee said this is part of the reason for inviting OTAB to speak on this issue. She would like the new director to be made aware of the Resolution, and in writing, with a copy to her.

Mr. Bradbury suggested the Resolution be brought back after they develop the plan, commenting there are lots of issues to be ironed-out.

After discussion, it was the consensus among the Committee and Mr. Castillo, that OTAB will report to the Finance Committee quarterly, with a written report, beginning in December 2012, and to advise the Finance Committee of appropriate items and to ask direction from the Committee as OTAB would like.

Councilor Bushee said she wants it to be made very clear in the Resolution that that this is for new events only.

Mr. Bradbury said they were supposed to be shoulder season events. He said the motion which was proposed was specifically for new events. *[The balance of Mr. Bradbury's comments are inaudible because he was speaking from the audience and away from the microphone.]*

Chair Dominguez asked how much is committed for "non new events."

[Most of Mr. Bradbury's comments here are inaudible because he was speaking from the audience and away from the microphone, but I think he said they have \$70,000 annually for grants from OTAB.]

Mr. Castillo said when he was first appointed to OTAB, there was about \$400,000 in discretionary funds for events, but it is now \$70,000. He said they implemented a policy recently to hear only requests from new events or those which have not requested funding more than 3 times. They are capped at 3 requests.

Chair Dominguez would like an accounting on the fund.

Mr. Castillo said OTAB receives a monthly report from David Tapia on collections of the Lodgers' Tax, noting it is on a cash basis and there will be a spike for payment of past due taxes. He said they try to look at it on an annual basis.

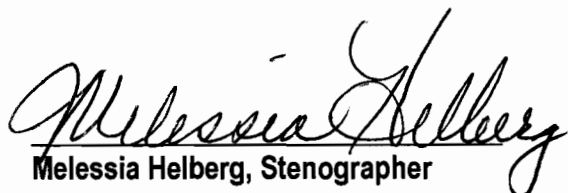
17. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 pm.

Carmichael A. Dominguez, Chair

Reviewed by:

Dr. Melville L. Morgan, Director
Department of Finance


Melessia Helberg, Stenographer

CITY OF SANTA FE, NEW MEXICO

**PROPOSED AMENDMENT(S) TO BILL NO. 2012-____
(Panhandling Definition)**

Mayor and Members of the City Council:

We propose the following amendment(s) to Bill No. 2012-____:

1. On page 1, line 12, after "PANHANDLING" *insert* "TO INCLUDE NON-VOCAL SOLICITATIONS"
2. On page 1, line 22, after "vocal" *insert* "or non-vocal"

Respectfully submitted,

Staff

ADOPTED: _____
NOT ADOPTED: _____
DATE: _____

Yolanda Y. Vigil, City Clerk

Exhibit 11