



Agenda

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**SPECIAL FINANCE COMMITTEE MEETING
FY 2013/2014 OPERATING BUDGET REVIEW
CITY COUNCIL CHAMBERS
APRIL 23, 2013 – 9:00 AM – 4:30 PM**

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

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. QUESTIONS AND CLARIFICATION
5. CONTINUATION OF FISCAL YEAR 2013/2014 OPERATING BUDGET REVIEW:
 - A. Department Reviews and Request for Approval:

9:00 a.m. to 10:00 a.m.	ITT
10:00 a.m. to 12:00 p.m.	Transportation Parking Transit Airport
12:00 p.m. to 1:00 p.m.	Lunch Break
1:00 p.m. to 3:00 p.m.	Public Utilities Water Solid Waste Wastewater
3:00 p.m. to 4:00 p.m.	Community Development
6. 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 INDEX FOR
SANTA FÉ CITY FINANCE COMMITTEE**
April 23, 2013

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2. ROLL CALL	Quorum Present	1
3. APPROVAL OF AGENDA	Approved as amended	1-2
4. QUESTIONS AND CLARIFICATIONS	None	2
5. CONTINUE - 2013-2014 OPERATING BUDGET		
A. Department Reviews		
1) ITT	Discussion	2-5
2) Transportation		
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MINUTES OF THE
CITY OF SANTA FÉ
SPECIAL FINANCE COMMITTEE MEETING

TUESDAY, APRIL 23, 2013

1. CALL TO ORDER

A special meeting of the City of Santa Fé Finance Committee was called to order by Councilor Carmichael Dominguez Chair on April 23, 2013 at approximately 9:00 a.m. in the City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé New Mexico.

2. ROLL CALL

Roll Call indicated the presence of a quorum as follows:

MEMBERS PRESENT:

Councilor Carmichael Dominguez, Chair
Councilor J. Bushee, Vice-Chair
Councilor Bill Dimas [arriving later]
Councilor Peter N. Ives

MEMBERS ABSENT:

Councilor Christopher Calvert [excused]

OTHER COUNCILORS:

Councilor Rebecca Wurzbarger [arriving later]

STAFF PRESENT:

Mr. Marcos Tapia, Finance Director
Ms. Teresita Garcia, Finance Department Staff
Ms. Yolanda Green, Finance Department Staff
Mr. Robert Romero, City Manager

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

3. APPROVAL OF AGENDA

Councilor Bushee moved to approve. Councilor Ives seconded the motion and it passed by unanimous voice vote.

4. QUESTIONS AND CLARIFICATION

Councilor Bushee said at a meeting yesterday some folks were concerned over the pending disappearance of the City's Domestic Violence Prevention position. She asked if someone from Community Services could contact the Solace and Esperanza people to talk about how we could stretch something, although it might not be a City employee but still could contribute or match in some way to maintain the ground already gained in that regard.

5. CONTINUATION OF FISCAL YEAR 2013/2014 OPERATING BUDGET REVIEW

A. Department Reviews

1) ITT

Mr. Romero said a solution was apparent for reductions of costs for internet service and data collection that would save at \$189,000 annually. The City had used CenturyLink for years through a sole source contract. He would ask ITT to discover if that was the best deal they could find. They made some significant funding requests. IT was in the Finance Department section page 37 where the Committee could see some of the requests that had been reduced. They made a request for about \$100,000 or more for new computers, printers, scanners, etc. Almost all directors have printers by their desks now and he would do an assessment of what equipment the City had now and the current value of each and determine whether the City really needed any. He thought they would find plenty this year and that each department pay for any needed new ones. Meantime, they would keep track of the usage of what the City had already.

IT did not have a capital maintenance three-year plan so he asked them to show what they thought would be needed over the next three years. With a plan in place they would not have to scramble each year to figure out their needs and make sure the equipment was funding as it should.

He also asked Marc Anthony and Yolanda to work with them on copiers to make sure they were cost efficient. He favored having one on each floor instead of a copier in every office. He estimated they could save about \$100,000 in the effort.

Chair Dominguez asked if the City had a general operating plan for IT.

Mr. Romero said IT was undergoing an audit at present to determine their needs. Hopefully it would result in a better plan for the future. If the broadband project was successful, it could save the City \$250,000.

Councilor Ives - re the broadband project savings asked how that savings would be achieved.

Mr. Romero said they could use their own conduit instead of having to use Qwest's conduit. With it, the City could link its main sites except possibly MRC. There was currently wireless technology but he didn't know if that would work yet.

Councilor Ives asked if he could see that scope of work.

Mr. Romero said he would have Ms. Kerr meet with him on it.

Councilor Bushee - said Mr. Romero brought up yesterday when he was doing all of the intense work on the budget that he was concerned about losing all the data. She asked how that was backed up.

Mr. Romero said the Internal Auditor was verifying the disaster recovery plan and that back up was in place and being used properly. In this instance, it worked and only required about 90 minutes to restore it. They were now updated to the newest version of Microsoft and had to replace the computers and printers that were not compatible.

Councilor Bushee asked if a large sum would be needed to finish updating the systems.

Mr. Romero explained that was why he asked Thomas to do a three-year plan for capital and compare it with current software contracts.

Councilor Bushee asked if new updated programs came with technical staff assistance.

Thomas explained that with any major software or hardware acquisition they built in maintenance and professional consultation to insure that the transfer would be successful. That way they would know what the real and total costs would be.

Mr. Romero said that would help get in-house staff properly trained also.

Councilor Bushee noticed that interdepartmental phone communications was sometimes down.

Mr. Romero agreed and that was why they needed the plan. At one time the server got overloaded with data and the staff worked out a way for the server to notify them when that condition was approaching.

Councilor Bushee appreciated the work of IT staff.

Mr. Romero agreed they were making things better. They backed up every day. They were now working on backup power to preserve data in case of an outage.

Chair Dominguez agreed they were doing a great job but there was still a long way to go in improvements. The City has to have the infrastructure and the policies in place to preserve data and make it accessible. He also believed IT should be directly under the City Manager and not buried in Finance.

Mr. Romero agreed with him that it should at some time be a Department level position. Maybe he could figure out how to fund a Department Director for IT. The Internal Auditor had already given him a list

of things that needed to be improved.

Thomas said they had made a lot of progress but agreed there were still lots of things that needed to be done in the areas of stability, data backup, redundant power and speed. He estimated they were at about a 6 on a scale of 10.

He foresaw a lot more e-services in the near future for the City to use.

Chair Dominguez asked if all purchases related to computers and internet had to go through IT.

Mr. Romero said all software purchases were done through IT. He acknowledged that the IT committee probably did not meet often enough. They were starting to meet monthly so that top users would coordinate their work and policies. For now, he thought they had enough resources to accomplish what was needed.

Councilor Ives asked what the current backup and disaster recovery plan was.

Thomas said the financial data and community services were done on the AS 400 server and they did daily data backup and weekly system saves. In addition they had remote backup at the emergency center through Ethernet circuit. Those backups were rotated daily. The AS 400 had emergency power backup.

Councilor Ives asked if the City was violating its own policy with regard to lack of redundant power.

Mr. Romero explained the City had no problem in saving things but just that in some departments it was not concurrent savings.

Councilor Ives said it also seemed they were not integrated which sometimes was the result of not being developed concurrently. He would love to see the whole City systems integrated into a whole.

Mr. Romero said they were working on that and someday would have a rack of servers that communicated with each other.

Councilor Ives asked for a printed copy of all IT policies.

Mr. Romero asked Thomas to provide that to him.

Councilor Bushee was concerned about putting too much into separate IT Division but preferred to consider a Deputy City Manager's position. Albuquerque's 311 system was very effective for making complaints, paying bills and giving feedback.

Mr. Romero said that was exactly what the City was doing with the new website.

Councilor Bushee pointed out that many older citizens did not use the internet. She felt it was difficult when every little thing rested on the City Manager's shoulders.

Chair Dominguez asked if he foresaw some kind of internal reorganization within IT.

Mr. Romero said the scope he was working on with the Auditor to evaluate would give him the answer for that. In a few months they would know the answer better.

Chair Dominguez asked if parking payments with credit card would be done by Parking or by IT.

Mr. Romero said they would work together to make it happen. It was already being developed.

Patty said they should use an app for that.

Mr. Romero said that was being worked out and also an app for the bus system. They were working things out with a consultant.

Councilor Bushee said the right questions needed to be asked of the consultant.

Mr. Romero asked if the Committee wanted him to figure out how to fund an IT Division Director.

Councilor Bushee wasn't sure.

Councilor Ives - we know IT is becoming more and more important so it made sense to move in that direction. The IT Steering Committee seemed to be a wonderful thing and he would like to be invited to a meeting.

Councilor Bushee thought its significance got lost when stuck under Finance.

Chair Dominguez said in the future a City Manager with strong IT skills would be very helpful.

2) Transportation

a. Parking

Mr. Romero said it was under 15-A.

Mr. Sevastian Gurulé said it was page 226 in the orange book.

Mr. Romero said this year's total parking revenues were expected to be only \$150,000 less than expenses so it was getting a lot closer. Parking has been running in the red in the past several years but now was catching up.

Councilor Bushee remembered the Parking Fund used to have reserves.

Mr. Romero explained they were paying debt service on the Railyard garage and that was finally going away. Now the tax takes care of that. Mr. Gurulé could explain the cost reductions and revenue increases.

Councilor Bushee asked if he expected the Railyard to cover more with the movie theater coming.

Mr. Romero agreed they were anticipating that. And they were going to keep track of what the City had given them. When debt service was paid off that parking gets their money back.

Councilor Bushee asked if he was saying that they negotiated with the Railyard for free theater parking.

Mr. Romero agreed. All of the theater proposals asked for that. Without that the theater would not have been viable. That still had to come to the Council for approval.

Councilor Bushee recalled the parking garage was not part of the plan originally. Now here the City was with the worries. Now the City was waiving many things and giving them free parking.

Mr. Romero said at least they were able to keep revenues close to expenses.

Councilor Bushee said now the other businesses on the Railyard would also want free parking.

Mr. Romero said they would have to ask the Council.

Chair Dominguez asked what the amount of outstanding citations were.

Mr. Gurulé said it was about \$1 million. They were trying to implement new technologies and to be more proactive in reducing that number.

Councilor Ives commented it was a complex picture, trying to balance revenues etc. and where the revenues went.

Mr. Gurulé said a large percentage of tickets were for lack of handicapped stickers. Most were people not putting the stickers on their window. Judge Yalman took a liberal view on those. They were looking for ways they could make it easier to pay and to collect. They were working more with the Finance Department to assist in redoing the procedures and working with Legal to step up collection efforts. They were working on installation of credit card meters and training enforcement officers to be more proactive and customer-service friendly. It was working well.

Chair Dominguez asked if there was an audit done on Parking.

Mr. Romero agreed and it would be provided to Council on May 8th.

Chair Dominguez asked if Mr. Romero saw anything in it that would make costs increase.

Mr. Romero said the main thing they talked about was to make sure Municipal Court and Parking were tracking the disposition of parking tickets. He didn't have the audit report yet.

Councilor Bushee posed a question to Councilor Ives.

Councilor Ives thought the IT systems should solve the issue of communication from parking to courts

and back. It was a matter of finding ways to have a common system.

Councilor Bushee was worried about other businesses coming back for the same deal. She suggested asking the theater goers to pay \$1 for 4 hours for \$1 as part of the theater ticket. The theater could pay for it and build it in their lease or have people pay for parking that way.

Mr. Romero said they could do that but potentially they might have to defer the \$1 a little longer. He thought it would work later on.

Councilor Bushee asked if the City was getting anywhere with county courthouse parking.

Mr. Romero said the City was working with the courts. They were working on the County to pay. Nothing was being proposed for free. The City was seeing revenue coming in now from the County.

Councilor Ives asked how much they were paid by County currently for the existing courthouse.

Mr. Romero said it was about \$100,000 a year.

Mr. Gurulé said rates for parking were different from parking area to parking area.

Councilor Ives asked how many spaces they had at the convention center.

Mr. Gurulé said the County had 23 parking spaces there.

Councilor Ives asked if the County made any of the 23 spaces available to people in attendance at court.

Mr. Gurulé said all 23 were employee permits.

Councilor Ives asked if any of that would change with the new courthouse.

Mr. Gurulé said only the location would change.

Councilor Ives asked if the public would pay for parking in the new courthouse area. Mr. Gurulé agreed.

Councilor Bushee didn't like Parking being in the red and asked how the City was working out of it.

Mr. Romero said the City was not leasing from Scottish Rite anymore. At the Archdiocese lot they had folks walking around to check and they would do that at the Canyon Road lot too.

Councilor Bushee asked about the app thing.

Mr. Gurulé explained that the new parking meter machines take credit card payments. On new ones there was an app that would get a text message to the patron that they were running out of time.

Councilor Bushee asked if they could they pay initially on the app. Mr. Gurulé agreed.

Councilor Bushee asked if the City had too many parking garages now.

Mr. Romero thought they were ok now. As the Railyard continued to grow they would see. They were trying to move people into garages now instead of on street. Unless they could change prices there would still be more on the street and less in the garage.

The Committee briefly discussed raising rates.

Mr. Romero wanted to look at some of that this year but with credit card meters they were going to hold off for now.

Councilor Bushee said Convention Center parking needed to be consistent.

Mr. Romero said he could do an analysis of everything the City was giving away for free.

Councilor Bushee liked making it easier to pay. Businesses liked the City to help out for seasonal stuff. But she was really worried about the Railyard piece. It was too easy to be free.

Councilor Ives would like to see an analysis on it if the 14-plex policy did not charge patrons.

Councilor Bushee understood the business perspective but when the City started treating one area differently it was a problem.

Chair Dominguez asked to get that analysis done quickly for the next Finance Committee meeting on the 30th. The Committee needed the data to do the budget.

He thanked Mr. Gurulé.

b. Transit

Mr. Romero said Transit had a pretty flat budget. Mr. Jon Bulthuis not recommending any rate changes. In terms of revenues, money was now included in the budget. The federal money was a little in flux now. He only included ½ of the federal appropriation at this time.

Mr. Romero announced that he moved Dave Chapman out of CIP into a vacant position in Transit as Contract Administrator. He would be paid out of Transit now instead of CIP. He was doing transit and airport parking and legislative grants.

Councilor Ives was glad to see they were looking at an app to see where buses were. He asked if he saw in the materials that the route to the museums was contingent on funding.

Mr. Bulthuis explained they were looking at efficiencies in serving that area of the City. Right now they were not in need of reducing services. But they were exploring through development of the app for payment

of fares on the bus and to purchase tickets on line. The second area being examined was requesting a trip in an area of the city that was not on a fixed route. He wanted to initiate a pilot project on this.

Councilor Ives thought having easy access to Museum Hill and the Children's Museum was important for tourism. Supporting those institutions by allowing folks to get there easily was important. He appreciated the good efforts in that regard.

Mr. Romero agreed. It was one way transit helped with the General Fund. Transit also got some GRT. By reducing transit costs it reduces general fund costs.

Councilor Bushee said in keeping with policy that the City had push back from Commissioner Anaya. He had submitted another resolution.

Mr. Bulthuis said there was an item scheduled for the last NCRTD meeting but was withdrawn. Now it was back on the agenda. Commissioner Anaya was requesting that the set aside funds to the City from NCRTD not be approved because it only addressed the city allocation. It would have to be re discussed every year.

Councilor Bushee Said the NCRTD had been able to get someone from Edgewood appointed and a couple of pueblos. Hopeful the NCRTD would support Council's decisions. She thought he was trying to build allies with certain members in order to get more money. She just wanted to call attention to this issue.

Chair Dominguez asked what impact to the City Commissioner Anaya's proposal would have.

Mr. Bulthuis said the Regional Board at the last meeting reacted in a positive way that this business needed to be made at the regional board level and not the county level. There was no change in our policy due to that resolution from Anaya.

Councilor Bushee praised Mr. Bulthuis for hanging in there.

Chair Dominguez asked him to keep the Committee posted on anything at a County level that would affect the City's budget.

Mr. Romero said he did hire a new airport director. Mr. Bulthuis was now Transportation Director and he was a great help.

Chair Dominguez congratulated Mr. Bulthuis.

Mr. Romero said Bobby was promoted to be Fiscal Director for this department but would continue to do Public Works work too.

c. Airport

Ms. Jim Montman introduced Mr. Francey Jessom as his replacement for Airport Director on April

29th. Mr. Montman would be here until May 3rd.

Mr. Montman reported that when United came in it would bring the airport up to 7 daily flights and \$138,000 additional revenues.

Mr. Montman said on June 15th the tower was scheduled to close but they wouldn't close the airport. The issue was that a layer of safety was being taken away - control towers. They would talk about those options at City Council. It was a safety issue with a potential for problems. The FAA was doing furloughs one day out of 10 for air traffic controllers. It resulted in delays all over the country and here. For us to fund ourselves would take \$720,000. FAA was happy to leave their equipment here if we pay for and maintain it for another \$50,000. He was hoping that with the legal challenges from a number of associations that it would be put off for at least two years. Senator Udall had introduced a bill to do that. We didn't know where we would be after June 15th. Our people would have to go out and do things they were not doing now and that would affect the budget. It was difficult to plan to make things work. The airport was very busy and the load on pilots would be much heavier without air traffic controllers.

Councilor Bushee asked how the White House could turn down putting it off.

Mr. Montman believed that this had to do with sequestration and getting headlines. It was not about a band-aid. Personal opinion was sequestration. Not all airports were affected on June 15th.

Councilor Bushee didn't think they were considering close to another \$1 million needed in this budget cycle.

Mr. Montman agreed; that was not his recommendation. There were other ways they could address this problem.

Councilor Bushee asked if Albuquerque was in the same boat.

Mr. Montman said Double Eagle Airport was and Hobbs and others were affected also. Obama's budget submitted zero funds for all towers unless sequestration was broken and funded through a new budget. The Sunport was affected by layoffs of overnight workers.

Councilor Bushee asked if everything else was good news. She asked if the bar still working. Mr. Montman said no.

Mr. Montman said they had \$4 million in projects planned for next year using grant related funds available for capital improvement. In the mail yesterday he got the FAA tower lease agreement so he was confused.

Councilor Bushee asked about the liquor license out there.

Mr. Montman said it would stay dormant and the City could reactivate that if needed. The Grill would have to pay for it now.

Councilor Bushee said the City paid for renovations.

Mr. Montman said the Grill paid for their part.

Councilor Bushee was glad to meet the new Director and asked if the Airport Advisory Board was up to capacity.

Mr. Montman said they were one short and the vacancy could be filled with a city or county resident.

Councilor Bushee asked if there were any annexation issues that needed discussion.

Mr. Montman said no.

Mr. Montman said the Jaguar/599 interchange gave life again for the airport entrance and was to be put in by the developers. He added that they might look into relocating the prairie dogs at the airport and mentioned that they had had human plague out there for years.

Councilor Ives was interested in the busy ness stats. Phoenix, Denver and Los Angeles were the hubs and with United starting the City would do more business. There were about 400 operations a day.

Mr. Montman agreed but said the new radar would become a radar to nowhere if they closed the tower.

Councilor Ives asked about annual upkeep for tower equipment.

Mr. Montman estimated maintenance on the equipment at \$53,000 plus employee costs.

Councilor Ives asked if it was possible to do 400 operations a day without a controller.

Mr. Montman said it was possible.

Councilor Ives anticipated furloughs and Mr. Montman agreed.

Councilor Ives asked what the busiest times of the year were.

Mr. Montman summer time was busiest. For corporate it depended on what movies going on.

Councilor Bushee told Mr. Jessom he was filling some big shoes. She hated to see him go

Chair Dominguez welcomed Mr. Jessom and thanked Mr. Montman for his service.

Lunch Break

The Finance Committee recessed until 1:30 p.m.

Chair Dominguez reconvened the Committee at 2:40. Councilor Dimas was present.

3) Public Utilities

a. Water

Mr. Brian Snyder handed out a spreadsheet and reviewed it with the Committee in an overview of Public Utilities. There were three enterprise funds that were revenue neutral. They were keeping track of funds to keep rates down.

Every time he had a vacant position he evaluated the position to see if they needed to fill it. In doing so, he worked with the union. Budgets have been flat for the last three years. If he saw budget categories they had not expended in the past three years they took that into consideration and did that for this budget.

The budget was found on Page 13 D in the blue book. On the organizational chart, red showed what was eliminated in previous years. Yellow showed vacant positions they were looking to fill.

He reviewed the summary table compiled for the budget that was broken down by division and budget requests. The far right column showed the differences and he went through them with the Committee including reductions due to operating fund transfers, pay backs to general fund, reduction in general liability in administration, unfilled positions, contract reductions, operating supplies reduced transmission reductions (by \$58,000, reductions in repairs and maintenance (by \$45,000) and Buckman Diversion operation expenses reductions of \$1.3 million for the City's portion.

Chair Dominguez asked if Buckman positions were just city funded.

Mr. Snyder said there were 33 positions and they were all funded by city and county. The split was 50/50 on capital and 75/25 (city to county) for the rest.

Mr. Snyder said the CIP reduction was 16 million. They had projects underway and reduced them to come in line with the budget. They reduced the budget by 21 million. Some reductions depended on other things like not paying as much toward the General Fund loan.

Based on the financial plan there were no scheduled rate increases. There were no plans on the horizon to raise rates. The financial consultant repayment could be handled within our plan without affecting rates.

Chair Dominguez said the Committee just had a huge debate regarding apprenticeships and asked how much those 8 positions cost.

Mr. Snyder didn't know.

Chair Dominguez asked him to get that information for the Committee. He had not realized that those positions were going to be eliminated after they had just talked about how important they were. He asked why there were some items on org chart that were orange.

Mr. Romero thought they were the ones the City added last year.

Mr. Snyder clarified they were not expansions and no expansions were planned. The Public Information Officer was approved but not yet filled.

Chair Dominguez asked if annexation was factored into this budget.

Mr. Snyder agreed it was. They would be working with the County on that.

Chair Dominguez asked how it would affect operations if that agreement was not implemented.

Mr. Snyder thought it would have no effect except they might lose some customers.

Mr. Romero talked briefly about pipefitter positions, apprenticeship, etc.

Chair Dominguez asked for information on this and how it could be worked out.

Mr. Romero said those positions were eliminated because we did not need them.

Mr. Snyder agreed. When he spoke to union they were interested in more of an apprenticeship program. They could only move into a vacancy when they had achieved the certifications necessary.

Mr. Romero added that in fire they came in as a cadet. If they moved those vacant pipefitters to apprenticeships they could save some money.

Mr. Snyder said there were no staff ready to step into pipefitter 3 positions due to certification requirements. This was a model they could use as a starting point. When you get classes or license you could move up but not until there was a vacancy.

Mr. Romero said some areas didn't have those changes; some departments did and some didn't.

Chair Dominguez asked Mr. Romero to provide him with a memo on that for discussion purposes.

Chair Dominguez asked about the CIP for the Water Division.

Mr. Snyder said the CIP in the finance plan for FY 2013 was \$29 million. Projects sometimes cannot be completed in one year. Some went out to bid, etc.

Chair Dominguez asked if there were projects that weren't critical now.

Mr. Romero explained that as they tried to figure out how to balance the budget, Water had lots of cash. They earn about \$34 million and it cost \$26 million to run the operation. So \$8 million would go to future CIP over the next 10 years so they didn't have to bond out. If you didn't do that you have to raise rates to cover projects.

Chair Dominguez said for clarity that they would not jeopardize any projects now or future by doing this.

Mr. Romero agreed.

Councilor Ives asked if under "source of supply" the legal challenges were reflected.

Mr. Snyder said the outside legal fees were shown under professional contracts under administration.

Councilor Ives asked for the source of supply.

Mr. Snyder said the sources were our water treatment plant, Buckman and city wells.

Councilor Ives asked if personnel was distributed across this.

Mr. Snyder said each one of these items had personnel in them. It was spread out throughout those categories.

Councilor Ives was trying to understand professional services, staff and challenges to the well permit.

b. Solid Waste

Solid Waste was under 13A in the blue book.

Mr. Snyder said the Yellow positions were vacant positions in anticipation of annexation. Residential (green box) were filled now. No reduction or expansion of personnel was contemplated. Table I showed a \$79,000 reduction in landfill tipping fees. Fees have gone up over the years but the line item had money left in it and they reduced the budget accordingly.

Chair Dominguez asked if tipping fees were not separate.

Mr. Snyder said every load was calculated on tonnage. Based on past years numbers they could see the trend. He used that budget line item to help cover parks stuff, street sweeping etc. Under maintenance miscellaneous, it was based on use of past years and showed a \$19,000 reduction. The commercial line item was reduced \$1 million. Residential was reduced \$1 million. They would purchase no vehicles this year. Commercial had a \$70,000 reduction in diesel and repair and maintenance. Commercial and residential recycling and reload had an increase in budget...

Chair Dominguez noted the city would be increasing its customer base.

Mr. Snyder agreed. Impacts on annexation were \$1million for the first full year with equipment purchased for the first year.

Chair Dominguez asked if a rate increase would be needed if the City did not annex.

Mr. Snyder said it would not be needed.

Chair Dominguez asked if all annexation issues were factored in. Mr. Snyder agreed.

Councilor Bushee asked regarding recycling how the City could better reduce our waste stream.

Cindy Padilla, Environmental Services Division Director, said they were working hard on this to increase participation. They were conducting a comprehensive study with a consultant to look at waste diversion etc. The kick-off meeting would be this afternoon. They were looking at markets. Part of the study would be looking at this over the next two months.

Councilor Bushee appreciated that. As a customer over the years we mandated recycling but now she saw the SWMA land fill was in the red which triggered a rate increase to customers because the City was the primary customer. Honestly the customer base was not too interested in buildings but interested in where the stuff was going and didn't care that the customer was not there. People were doing it on their own and taking it elsewhere. So the city was not diverting the waste. The former Solid Waste director wanted more equipment. That was not getting people to do recycling because the City bumped up rates and did not offer more services. They were always throwing a lot of money to the problem but without getting results. She wanted to see progress.

Ms. Padilla agreed and thought they w=should look at pilot recycling programs.

Councilor Bushee said Santa Fé was the city different and had a lot of people who wanted to do the right thing.

Mr. Snyder said they had the audience and would bring this to the Governing Body and the SWMA board to talk about complaints and doing a plan. With the vacant position they could try to get new markets.

Councilor Bushee said since the City was the main customer we should have a great amount of input and she didn't see that. They were falling behind.

Councilor Ives proposed as the study moves forward to have strategic planning with city, county and SWMA to get the folks at the curbside to participate where it was cost effective. The City would be trying to think more broadly about systemic changes needed - often expensive changes but with new technologies on green waste. Maybe pilot projects could be done at some city facilities. He would love to see it all happen faster.

Councilor Ives asked what the nature of the reduction was for commercial and residential line items.

Mr. Snyder said the main reason of decrease was in each line item. Purchase of new vehicles was needed last year but not this year.

Councilor Ives thought the City was doing themselves a disservice by not requiring waste to be segregated and then taken to SWMA.

Chair Dominguez thanked Mr. Snyder.

c. Wastewater

Waste Water was shown under tab 14, page 13C in the blue book.

Mr. Snyder clarified that yellow items were vacancies. Some have been vacant for a number of years. Once we fill the Division Director permanently he asked that all the vacancies be evaluated and then develop a plan and if a position was not needed then eliminate those positions. The administrative side reduction was due to transfer out that was eliminated and reduction of contracts and grants and services. The plant budget reduction of \$201,000 was due to usage for past years and supplies and maintenance. There was money left in those line items in previous years.

The reduced budget would give a cushion and allow staff to do their jobs. Lab category reduced \$15,000 collection reduced by \$11,000. All was due to review of the last three years of spending. They went through other reductions. The composting reduction was \$41,000. In the financial plan they presented to PUC they looked at a rate increase of 3.1%. Formerly an increase was approved and then retracted several years ago. Mr. Brian Romero here to answer questions as well.

Councilor Bushee asked if they were still having concerns about insurance.

Mr. Snyder said they were working on a resolution.

Councilor Bushee wanted to hear from the lawyer at some point. She was getting calls from constituents and wondered if they should go to an executive session because of threat of litigation.

Mr. Snyder said he reviewed the communication and did not feel it was a threat of litigation. He was working on language now.

Councilor Bushee thanked Mr. Snyder for doing a good job.

Utility Billing

Mr. Snyder said Utility Billing was on org chart tab 14, page 13B. Several positions had been vacant for a number of years. They would be filling one administrative secretary position shortly. He went over several line item reductions including administration and machinery, collections, meter reading and billing.

Councilor Bushee asked where they were with "firefly" or other things that might have financial implications.

Mr. Snyder said a law suit was pending. They were doing a pilot study with the system. There were a large number of those systems out there but he wanted to feel comfortable that the system they recommend was top notch. It would cost in excess of \$5million. They were in process of pulling together information from a large number of vendors. Then they would get that data into a table and have a recommendation for PUC in a few months.

Councilor Bushee where the funding would come from.

Mr. Snyder said it would be from the Water Division and combination of other areas. They had in the new utility billing system a new person who was working on that and training employees on making a high quality system. They would issue the RFP in June for the utility billing system. That would allow customers to see their water usage.

Councilor Bushee when the last time was they had a new billing system and what was wrong with the current one.

Mr. Peter Ortega, Utility Billing Division Director, said the current one was from 2000 and they included water in 2001.

Councilor Bushee asked if a new one would be more user friendly. Mr. Ortega agreed.

Councilor Bushee asked for information on legislation and said she had been requesting it for 3 years.

Mr. Snyder said they had a draft of that item and he would get to her once it was in format to review.

Councilor Ives said they talked about one of the challenges in the IT system being the appearance that as a city we have different systems that didn't talk to each other. One of his hopes was that the new billing system could be integrated into other systems to be used for analysis and recording.

Mr. Ortega that was a priority for them too. Right now they had direct debit where it allowed customer to provide the Water Division with their bank account.

Councilor Ives said he tried it within the last 5 days and it said "unavailable." If it would be corrected it would be of benefit to folks who would like to do automatic payments. He hoped they would keep up those efforts and demand functionality.

Chair Dominguez asked what the \$3 million delta item was for.

Mr. Snyder said there was a \$2.6 million reduction in transfer out, repayment of water loan.

Chair Dominguez asked what trend was it that we were changing that would break the trend. He also asked where they took care of licenses and dues.

Mr. Snyder said they had a line item for that. What this would allow was to roll back unexpended money to Water for next year. They were looking closer at what their expenditures would be now and in the future.

Chair Dominguez cautioned that just because they had not used those funds for the last three years did not mean they wouldn't need it for the 4th year.

Mr. Romero said he asked all the department directors to look at the cuts and no one had issues with them.

Chair Dominguez noted that Wastewater had made big reductions. He wanted to make sure that they would be able to live with them.

Mr. Romero suggested they could fill positions as temps if needed.

Chair Dominguez said they had to be careful because of philosophical discussion about benefits.

Chair Dominguez thanked Mr. Snyder.

4) Community Development

Mr. Nick Schiavo asked where to begin.

Mr. Romero said in this area things were flat. One area of concern was the Economic Development Fund at \$50 million. The Fund was dwindling and the City was not going to have a lot to invest in Economic Development. They were getting some new grant money. Under NPO the City would get \$200,000 with a city match of 15%. This would help secure future federal funding for have of the administrator's salary.

Chair Dominguez asked about total operating costs.

Mr. Schiavo said a lot was from grants. It would total \$1.4 to \$1.5 million without grants. Grants would add an additional \$1.5 million.

Chair Dominguez asked how much economic development would be generated.

Mr. Schiavo said it was a tough question to answer. Shelter Plus Care was discussed. Mr. Schiavo got word that the City would get \$1 million additional federal money and they were looking at how funds were being spent.

Councilor Wurzbarger joined the meeting.

Chair Dominguez asked how much they had reduced crime with all these grants and how they would quantify all of that.

Mr. Schiavo said the Shelter Plus Care funds went toward housing and they helped about 1/3 of lower income folks.

Chair Dominguez if we do strategic planning we give thought to that.

Mr. Schiavo said there was energy efficiency work with PV systems and others. Once they bring new systems on line they would be at 24% of energy coming from renewable energy. They used some money for down payment assistance. CIP funds were set aside for low interest loans for renewable energy

projects.

Chair Dominguez asked Mr. Schiavo how much he had saved the City.

Mr. Schiavo said he had saved over a half million dollars over the 6sixyears he had been here.

Councilor Ives asked how many tons of carbon on an annual basis the city's renewables saved.

Mr. Schiavo said it saved 2.2 pounds per Kilowatt hour.

Councilor Wurzbarger said the City had started to talk about revenue generation. Part of it was economic development activities. He wished the City had 20 more Nicks and hoped the City could develop more support of his division in the future. It was income to the City of Santa Fé.

Chair Dominguez would like to get some of those economic development reports at Finance.

Councilor Bushee was also looking forward to more reports. These were tough times and hard to gauge progress. She was looking forward to community solar.

Chair Dominguez listed things councilors wanted today:

Parking garage analysis as to Railyard

Statement about human plague at airport

Memo on apprenticeship numbers in Water Division.

Discussion about insurance water division to Finance

Chair Dominguez told Ms. Green regarding Thursday that it was a big agenda but he wanted to have an opportunity for unions to speak.

Ms. Green they were on there and she had revised the agenda.

Chair Dominguez asked her to put that at the beginning.

Ms. Green said she did.

Chair Dominguez said they would start at 9 a.m. on Thursday.

Councilor Bushee asked what the reason was for having light days early on.

Chair Dominguez said he chose that.

6. ADJOURN

The meeting was adjourned at 3:10 p.m.

Approved by:


Carmichael Dominguez, Chair

Submitted by:


Carl Boaz, Stenographer