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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2020-__

INTRODUCED BY:

Mayor Alan Webber

A RESOLUTION

APPROVING A “FURLOUGH BRIDGE PLAN” FOR JULY 11, 2020, THROUGH SEPTEMBER 4, 2020 FOR FOUR (4) HOURS PER WEEK FOR CERTAIN CITY EMPLOYEES AND SIX (6) HOURS FOR CERTAIN CITY LEADERSHIP POSITIONS.

WHEREAS, the COVID -19 Public Health Emergency has resulted in a Fiscal Emergency, resulting from a dramatic reduction in purchases of taxable goods and services; and

WHEREAS, the City of Santa Fe’s (“City”) is utilizing a three-part framework of responding, rebalancing, and rebuilding as the components of its recovery strategy; and

WHEREAS, the Governing Body approved a furlough for most City Employees on April 29, 2020, to assist in addressing its shortfalls in Fiscal Year 2020; and

WHEREAS, the revenue shortfalls are expected to continue into Fiscal Year 2021 and will be greatly impacted by the cancellations of numerous annual events, such as the International Folk Art Market, Spanish Market, Indian Market, and the Santa Fe Opera; and

WHEREAS, the City estimates revenue shortfalls for Fiscal Year 2021 of even greater amounts than in Fiscal Year 2020: approximately \$100 million overall and approximately \$31

1 million in its General Fund; and

2 **WHEREAS**, the majority of the City's General Fund budgeted revenues are generated
3 from the local Gross Receipts Tax on goods and services; and

4 **WHEREAS**, a majority of the City's budgeted General Fund expenditures are for its
5 employees' salaries and benefits; and

6 **WHEREAS**, to reduce its budget shortfalls, the City has taken the following measures:

7 1. Adopted a Resolution seeking additional federal funds, and obtained limited
8 federal funds for its airport and transit divisions; and

9 2. Met with State elected officials regarding possible assistance through direct aid
10 or legislative changes, including;

11 a. Participating in a Zero Interest Loan Program for Municipalities from
12 Severance Tax Fund;

13 b. Changing state statute to allow Lodgers Tax fund balances to be used for
14 general municipal purposes to support legally required City services;

15 c. Changing state statute to start Internet Sales Tax Revenue collections of
16 Municipal GRT in FY21, 1 year earlier than current law;

17 d. Modifying Municipality Tax Options by allowing a differential property
18 tax; and

19 e. Obtaining financial support for salaries and benefits for police officers and
20 fire fighters through the State's Law Enforcement Protection Fund and Fire
21 Protection Fund;

22 3. Implemented a spending freeze for non-essential expenditures, including travel,
23 food, etc.;

24 4. Implemented a hiring freeze, with the exception of public-safety related and
25 emergency hires;

- 1 5. Ended employment for all non-essential temporary employees; and
2 6. Met with AFSCME, POA, and IAFF, and received suggestions for achieving
3 savings.

4 **WHEREAS**, the City is also seeking to liquidate assets, identify opportunities to
5 repurpose otherwise restricted funds, identify and reduce redundancies, amend personnel policies
6 to reduce overtime and comp time use, terminate non -essential contracts, evaluate medical and
7 life insurance plans, and review other personnel policies for efficiencies; and

8 **WHEREAS**, the cost savings and revenue measures identified and implemented thus far
9 may save the City up to \$60 million and other measures underway will not generate sufficient
10 savings or revenue during FY21;

11 **WHEREAS**, the next options available to the City for cost savings are furloughs, salary
12 cuts, or reductions in force (layoffs); and

13 **WHEREAS**, furloughs represent the least drastic measure, because employees retain
14 their jobs and health insurance coverage, they provide the same savings as a salary decrease, and
15 they allow employees to use the reduction in hours for their own purposes; and

16 **WHEREAS**, under City Personnel Rule 7.41 (Furlough Rule), “furlough” means a
17 temporary placement of an employee in a reduced work hour schedule, which can either be partial
18 or full time, for lack of work or funds; and

19 **WHEREAS**, the Furlough Rule provides that, in the event of the need for a furlough, the
20 Departments affected shall submit to the Governing Body a plan identifying the organizational
21 units to be affected by the furlough; and

22 **WHEREAS**, the City’s Personnel Rule on Furloughs also requires that impacted
23 employees receive 14 days’ notice before they are placed on a furlough; and

24 **WHEREAS**, Article 19 of the AFSCME Collective Bargaining Agreement requires the
25 following:

- 1 1. Upon determination that a furlough is necessary, provision by the employer of a
- 2 detailed plan, justifying the need, including all pertinent documents, including budgets,
- 3 reports, and any other materials for its determination;
- 4 2. No fewer than-twenty four (24) hours per week for full-time bargaining-unit
- 5 employees;
- 6 3. Furloughs of no longer than six (6) months;
- 7 4. Management positions to be considered in devising a furlough plan;
- 8 5. A meeting between the City Manager and the union to review and consider cost-
- 9 cutting measures that may reduce the need for or the extent of, the furlough or layoff;
- 10 6. The opportunity for the union to provide, within 7 days of receipt of notice of the
- 11 furlough, a list of employees who wish to voluntarily participate in the furlough; and
- 12 7. Twenty-eight (28) day-notice of the furlough, to affected bargaining-unity
- 13 employees.

14 **WHEREAS**, the City will begin Fiscal Year 2021 with a provisional budget and the

15 Governing Body will hold budget hearings during July to determine the City’s budget for the

16 remainder of the fiscal year;

17 **WHEREAS**, between the end of Fiscal Year 2020 and the implementation of the City’s

18 adopted budget, the City must continue to reduce spending in order to reduce the severity of cuts

19 required for the remainder of the year;

20 **WHEREAS**, during the week of June 1, 2020, City Management presented updates on

21 the Fiscal Emergency’s likely impacts on the City’s Fiscal Year 2021 budget to the Finance

22 Committee, Public Works and Utilities Committee, and Quality of Life Committee, and had a

23 conversation with the members regarding a variety of options for continued savings through

24 furloughs or pay-cuts;

25 **WHEREAS**, based on feedback from City Councilors during the Committee meetings,

1 the City Manager has developed a “Bridge Plan” for furloughs during July 11 through September
2 4, 2020, which includes 4 pay periods;

3 **WHEREAS**, the Bridge Plan, attached as Exhibit A, applies a furlough of four (4) hours
4 per week for City employees other than most Public Safety employees;

5 **WHEREAS**, the Bridge Plan includes a six (6) hour per week furlough for at-
6 will/exempt Department Directors, resulting in a fifteen percent (15%) pay reduction, and
7 donations by the City Attorney and City Manager of the equivalent proportion (15%) of their
8 salaries to the City;

9 **WHEREAS**, in relation to the four-hour furlough for AFSCME bargaining units, City
10 Management has complied with Article 19 of the AFSCME CBA by providing a detailed plan
11 describing furloughs that meet all required parameters, including management positions, and
12 meeting with the union to review and consider cost-cutting measures that may reduce the need
13 for, and extent of, the furlough and by asking AFSCME to provide a list of employees who wish
14 to voluntarily participate in the furlough;

15 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
16 **CITY OF SANTA FE**, that furloughs of up to four (4) hours and six (6) hours are approved as
17 identified in Exhibit A.

18 **BE IT FURTHER RESOLVED**, that furloughs of less than the identified lengths may
19 be necessary due to operational and emergency needs of the City, but they shall not exceed the
20 number of hours identified in Exhibit A; and

21 **BE IT FURTHER RESOLVED**, that the Governing Body recognizes that the
22 employees and residents of the City of Santa Fe have made extraordinary sacrifices and exhibited
23 courage and compassion in grappling with the unprecedented medical, economic, and social
24 conditions in which our community finds itself.

25 **PASSED, APPROVED, and ADOPTED** this _____ day of _____, 2020.

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ALAN M. WEBBER, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

ERIN K. McSHERRY, CITY ATTORNEY