CITY OF SANTA FE, NEW MEXICO 1 **RESOLUTION NO. 2015-110** 2 INTRODUCED BY: 3 4 Councilor Joseph M. Maestas 5 6 7 8 9 A RESOLUTION 10 REQUESTING THE CITY MANAGER EVALUATE POSSIBLE EFFICIENCIES 11 WITHIN CITY OPERATIONS THAT MIGHT HELP CLOSE THE OPERATING 12 FISCAL YEAR 2016/2017 INCLUDING IMPLEMENTING 13 DEFICIT IN CONDITIONAL HIRING FREEZE. 14 15 WHEREAS, the City of Santa Fe is facing a fiscal year (FY) 2016/2017 operating deficit 16 of approximately \$15 million that must be systematically addressed beginning before the end of 17 the current fiscal year; and 18 WHEREAS, existing city services and workforce levels are not sustainable at current 19 rates of revenue, necessitating a comprehensive plan on prioritizing city functions and evaluating 20 sources of revenue; and 21 WHEREAS, difficult decisions must be made as to how to cover this gap; and 22 WHEREAS, City of Santa Fe revenues are 75% dependent on gross receipts taxes 23 (GRT) that are variable and unpredictable; and 24 WHEREAS, since the 2008 recession, the local economy has experienced a slow 25

recovery and a shrinking tax base; and

WHEREAS, the 15-year phase-out period of the hold harmless GRT started in the current fiscal year, with the city facing a \$1.3 million GRT reduction in FY 2016/2017 and an estimated total of \$11 million throughout the 15-year phase-out period; and

WHEREAS, the city must address, through policy changes, the financial policies and practices utilized historically, including the current fiscal year, to address changing conditions in order to secure the sustainability of vital city government services and our community's overall quality of life.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE RESOLVED that the City Manager shall conduct a city-wide needs assessment of staffing and service levels for all core, quality of life, and other services classified as such and prioritized by the Governing Body in order to identify potential areas for cost savings with a goal of eliminating 75 positions over the next three fiscal years for a savings of \$3 million in accordance with the following guiding principles:

- 1. Efforts shall be made to avoid layoffs.
- 2. All vacant positions shall be evaluated at least quarterly to determine whether they should be eliminated.
- 3. Consideration shall be given to a hiring freeze targeted to minimize negative impact on core and quality of life services.
 - 4. Efforts shall be made to optimize permanent savings through attrition.

BE IT FURTHER RESOLVED that The City Manager shall seek to identify cities comparable in size, service levels and other variables, such as demographic factors and, in accordance with the foregoing policies classifying and prioritizing City services and guiding principles established by the Governing Body, in order to identify potential areas to right-size City government with a goal of achieving comparable staffing and service levels, including the

following actions: 1 Evaluate a hiring freeze and loss through attrition to reduce staffing to 1. 2 recommended levels. 3 Seeking reductions in overtime and travel. 2. 4 Identify and evaluate the impact on residents and visitors of any potential 5 3. reductions in service; and ensure that disadvantaged and poor residents are not disproportionately 6 impacted by such service reductions. 7 Evaluate the costs to the City of providing services and proposing changes to fees 8 4. for services that reflect such costs. 9 Identify functions that can be automated for permanent long-term savings. 10 5. Aggressively pursue delinquent taxes, fines, and fees. 6. 11 Review the need to fill any vacant positions. If any one position remains vacant 7. 12 after a period of two years, it shall be removed from the list of available positions. 13 BE IT FURTHER RESOLVED that the City Manager evaluate the City benefits 14 structure as it compares to the benefits structures offered by other New Mexico local governments 15 and by the State of New Mexico in order to identify potential areas for cost savings, with a goal 16 of achieving a comparable level of benefits to those governments with equivalent employee 17 contribution levels. 18 PASSED, APPROVED AND ADOPTED this 9th day of December, 2015. 19 20 21 JAVIER M. GONZALES, MAYOR 22 ATTEST: 23 24 YOLANDA Y.(YIGIL, OTY CLERK

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