



# Agenda

**FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
AUGUST 15, 2016 – 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 8/11/16 TIME 3:00 PM

SERVED BY Yolanda Piles

RECEIVED BY Melissa Bays

Regular Finance Committee Meeting – July 18, 2016

### CONSENT AGENDA

6. Request for Approval of Amendment No. 2 to Professional Services Agreement in the Amount of \$35,000 – On Call Water Project Asphalt Construction Services for Transmission and Distribution Section; GM Emulsion, LLC. (Mike Moya)

7. Request for Approval of Professional Services Agreement and Budget Increase in the Amount of \$198,917.92 – Modified Stage 1 Abatement Plan Frank Ortiz Landfill (RFP #16/14/P); Intera, Inc. (Lawrence Garcia and Shirlene Sitton)

8. Request for Approval of Change Order No. 1 to Contract in the Amount of \$131,166.43 –Camino Capitan, Vereda Rodiando, Paseo de Tularosa & Paseo de Canto Water Main Replacement Project; Sasquatch, Inc. (Bill Huey)

9. Request for Approval of Memorandum of Understanding – St. Francis South Large Scale Mixed-Use Project for Wastewater and Water Division; Santa Fe County. (Stan Holland)

10. Request for Approval of Bid No. 16/39/B and Budget Adjustment in the Amount of \$1,625,239.08 – Arroyo De Los Chamisos Drainage Improvements, Erosion Control and Bank Stabilization Repair and Contract for Base Bid and Bid Alternatives 1 through 5; RMCI, Inc. (Melissa McDonald)

11. Request for Approval of Professional Services Agreement in the Amount of \$57,377.03 – Engineering Services for Paseo De Peralta Road Diet Feasibility Study (RFP #16/43/P); Souder, Miller & Associates. (Sandra Kassens)

12. Request for Approval of Procurement Under State Price Agreement in the Amount of \$61,773.40 – Installation of Bike Lane Pavement Markings on Osage, W. Alameda and Siringo Road; San Bar Construction Corporation. (Rick Devine)



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
AUGUST 15, 2016 – 5:00 P.M.

13. Request for Approval of Procurement Under Cooperative Agreement in the Amount of \$77,169.25 – Design Services for Fort Marcy Pedestrian Bridges Replacement Project; Wilson & Company, Inc. (John Romero)
14. Request for Approval of Procurement Under State Price Agreement in the Amount of \$185,581.88 – Construction Services for Cerrillos/Galisteo/Montezuma Intersection Improvement Project; Century Club Construction. (John Romero)
15. Request for Approval of Agreement Between Owner and Design Builder in the Amount of \$522,263 – Design-Build Services at Genoveva Chavez Community Center (GCCC) Skatepark; Spohn Ranch, Inc. (Jason Kluck)
16. Request for Approval of Professional Services Agreement in the Amount of \$475,000 – Release of Two (2) State of New Mexico Department of Finance, Local Government Division 2015 Severance Tax Bond Agreements 15-0861 and 15-1166; Kitchen Angels, Inc. (David Chapman)
17. Request for Approval of Procurement Under State Price Agreement in an Amount to Exceed \$50,000 – City-Wide Automotive Vehicle, Heavy Equipment Repairs and Tires; Various Vendors. (Robert Rodarte)
18. Request for Approval of Amendment No. 3 to Professional Services Agreement in the Amount of \$8,000 for a Total of \$48,300 – FY 2016/17 Hockey Referee Services for Ice Arena Hockey Leagues at Genoveva Chavez Community Center; New Mexico Hockey Referee Confederation. (Liza Suzanne)
19. Request for Approval of Exempt Procurement and Maintenance Agreement in the Amount of \$62,944.38 – Annual Hardware and Software Maintenance of Library System for Library Division; Innovative Interfaces, Inc. (Patricia Hodapp)
20. Request for Approval of 2015-2016 CDBG Consolidated Annual Performance Evaluation Review (CAPER). (Margaret Ambrosino)
21. Request for Approval of Procurement Under State, Cooperative Price Agreements in the Amount of \$1,259,382.24 – Twenty-seven (27) Replacement Vehicles and Equipment for Police Department for FY 2016/17; Various Vendors. (Andrew Padilla)
22. Request for Approval of Agreement – FY 2016-2017 Union Management Negotiations for Police Department; Santa Fe Police Officer's Association. (Andrew Padilla)

**END OF CONSENT AGENDA**



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
AUGUST 15, 2016 – 5:00 P.M.

## DISCUSSION

23. Request for Approval of a Resolution Declaring the Intent of the City of Santa Fe, New Mexico to Issue its Qualified Energy Conservation Bonds entitled City of Santa Fe, New Mexico Qualified Energy Conservation Revenue Bonds (Homewise Energy Conservation Fund Program), Series 2016, in an Aggregate Principal Amount of up to \$5,000,000 in Connection with the Establishment of a Program to Finance Residential Renewable Energy Systems in the City of Santa Fe (The "Program"), for the Purpose of Inducing Homewise to Implement the Program and to Pay the Costs of the Program from Proceeds of the Bonds; and Concerning Related Matters. (Councilor Dominguez) (John Alejandro)

**Committee Review:**

City Council (scheduled)

08/31/16

Fiscal Impact – No

24. Request for Approval of a Resolution Initiating the Process of Strategic Planning with the Intention of Aligning the City's Priorities in Allocating its Limited Resources with the Priorities of Citizens; Establishing a Program and Service Inventory, and Performance Measurements; and Consolidating Efforts to Maintain a Balanced Budget and Create a Priority Base Budget in Future Years. (Councilor Dominguez) (Oscar Rodriguez and Adam Johnson)

**Committee Review:**

Public Works Committee (no recommendation)

07/25/16

Public Utilities Committee (no recommendation)

08/03/16

Public Works Committee (scheduled)

08/29/16

City Council (scheduled)

08/31/16

Fiscal Impact – Yes - \$25,000 for Other Operating Costs (Software)

25. Presentation and Discussion of Internal Audit Department's Annual Report. (Liza Kerr)
26. Presentation and Discussion of Summary Report on Fraud, Waste and Abuse Hotline. (Liza Kerr and City Management Hotline Representatives)
27. MATTERS FROM STAFF:
- Annual City-Wide Auction Disposals. (Robert Rodarte)
  - Proposed Fiscal Year Budget Preparation Calendar. (Adam Johnson)



# Agenda

**FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
AUGUST 15, 2016 – 5:00 P.M.**

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29. MATTERS FROM THE COMMITTEE
  30. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521.

**SUMMARY INDEX  
FINANCE COMMITTEE MEETING  
Monday, August 15, 2016**

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APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – JULY 18, 2016	Approved [amended]	3-4
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REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AND BUDGET INCREASE IN THE AMOUNT OF \$198,917.92 – MODIFIED STAGE 1 ABATEMENT PLAN, FRANK ORTIZ LANDFILL (RFP #16/14/P); INTERA, INC.	Approved [corrected] w/ dir. to staff	4
REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 TO CONTRACT IN THE AMOUNT OF \$131,166.43 – CAMINO CAPITAN, VEREDA RODIANDO, PASEO DE TULAROSA AND PASEO DE CANTO WATER MAIN REPLACEMENT PROJECT; SASQUATCH, INC.	Approved [corrected] w/ dir. to staff	4-5
REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – ST. FRANCIS SOUTH LARGE SCALE MIXED-USE PROJECT FOR WASTEWATER AND WATER DIVISION; SANTA FE COUNTY	Moved forward w/o recommendation	5-11

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REQUEST FOR APPROVAL OF AMENDMENT NO 3 TO PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$8,000 FOR A TOTAL OF <del>\$38,300</del> 40,300 – FY 2016/17 HOCKEY REFEREE SERVICES FOR ICE ARENA HOCKEY LEAGUES AT GENOVEVA CHAVEZ COMMUNITY CENTER; NEW MEXICO HOCKEY REFEREE CONFEDERATION	Approved	13-14
REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND MAINTENANCE AGREEMENT IN THE AMOUNT OF \$62,944.38 – ANNUAL HARDWARE AND SOFTWARE MAINTENANCE OF LIBRARY SYSTEM FOR LIBRARY DIVISION; INNOVATIVE INTERFACES, INC.	Approved	14-15
REQUEST FOR APPROVAL OF 2015-2016 CDBG CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REVIEW (CAPER)	Approval	25-16
REQUEST FOR APPROVAL OF AGREEMENT – FY 2016-2017 UNION MANAGEMENT NEGOTIATIONS FOR POLICE DEPARTMENT; SANTA FE POLICE OFFICERS ASSOCIATION	Approved	16-20

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**END OF CONSENT CALENDAR DISCUSSION**  
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ITEM

ACTION

PAGE

DISCUSSION

REQUEST FOR APPROVAL OF A RESOLUTION DECLARING THE INTENT OF THE CITY OF SANTA FE, NEW MEXICO TO ISSUE ITS QUALIFIED ENERGY CONSERVATION BONDS ENTITLED CITY OF SANTA FE, NEW MEXICO QUALIFIED ENERGY CONSERVATION REVENUE BONDS (HOMEWISE ENERGY CONSERVATION FUND PROGRAM), SERIES 2016, IN AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$5,000,000 IN CONNECTION WITH THE ESTABLISHMENT OF A PROGRAM TO FINANCE RESIDENTIAL RENEWABLE ENERGY SYSTEMS IN THE CITY OF SANTA FE (THE "PROGRAM") FOR THE PURPOSE OF INDUCING HOMEWISE TO IMPLEMENT THE PROGRAM AND TO PAY THE COSTS OF THE PROGRAM FROM PROCEEDS OF THE BONDS; AND CONCERNING RELATED MATTERS

Approved

21-26

REQUEST FOR APPROVAL OF A RESOLUTION INITIATING THE PROCESS OF STRATEGIC PLANNING WITH THE INTENTION OF ALIGNING THE CITY'S PRIORITIES IN ALLOCATING ITS LIMITED RESOURCES WITH THE PRIORITIES OF CITIZENS; ESTABLISHING A PROGRAM AND SERVICE INVENTORY, AND PERFORMANCE MEASUREMENTS; AND CONSOLIDATING EFFORTS TO MAINTAIN A BALANCED BUDGET AND CREATE A PRIORITY BASE BUDGET IN FUTURE YEARS

Moved forward w/o recommendation with amendment

2841-

MATTERS FROM STAFF:

ANNUAL CITY-WIDE AUCTION DISPOSALS

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42-44

PROPOSED FISCAL YEAR BUDGET PREPARATION CALENDAR

No presentation

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PRESENTATION AND DISCUSSION OF INTERNAL AUDIT DEPARTMENT'S ANNUAL REPORT

Postponed to 09/06/16

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**MINUTES OF THE  
CITY OF SANTA FE  
FINANCE COMMITTEE  
Monday, August 15, 2016**

**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, August 15, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Carmichael A. Dominguez, Chair  
Councilor Mike Harris  
Councilor Peter N. Ives  
Councilor Renee Villarreal

**MEMBERS EXCUSED:**

Councilor Signe I. Lindell

**OTHERS ATTENDING:**

Oscar S. Rodriguez, Director, Finance Department  
Kelley Brennan, City Attorney  
Teresita Garcia, Finance Department  
Yolanda Green, 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 to these minutes by reference. The original Committee packet is on file in the Finance Department.**

**3. APPROVAL OF AGENDA**

Chair Dominguez asked to move Item #27 up on the agenda to be discussed with Item #24.

**MOTION:** Councilor Harris moved, seconded by Councilor Villarreal , to approve the agenda, as amended.

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

**4. APPROVAL OF CONSENT AGENDA**

Oscar Rodriguez, Finance Director, said regarding Item #18, the caption should be corrected from \$48,300 to \$40,300, noting it is correct in the packet.

Chair Dominguez asked Ms. Helberg to note this correction, and asked staff to be sure the caption is amended for the next Governing Body meeting.

**MOTION:** Councilor Villarreal moved, seconded by Councilor Harris, to approve the following Consent Agenda, as amended.

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

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**CONSENT AGENDA**  
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6. **REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$35,000 – ON CALL WATER PROJECT ASPHALT CONSTRUCTION SERVICES FOR TRANSMISSION AND DISTRIBUTION SECTION; GM EMULSION, LLC. (MIKE MOYA)**

7. *[Removed for discussion by Councilor Harris]*

8. *[Removed for discussion by Councilor Harris]*

9. *[Removed for discussion by Councilor Harris]*

10. *[Removed for discussion by Councilor Harris]*

11. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICE AGREEMENT IN THE AMOUNT OF \$57,377.03 – ENGINEERING SERVICES FOR PASEO DE PERALTA ROAD DIET FEASIBILITY STUDY (RFP # 16/43/P); SOUDER, MILLER & ASSOCIATES. (SANDRA KASSENS)**

12. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT IN THE AMOUNT OF \$61,773.40 – INSTALLATION OF BIKE LANE PAVEMENT MARKINGS ON OSAGE, W. ALAMEDA AND SIRINGO ROAD; SAN BAR CONSTRUCTION CORPORATION. (RICK DEVINE)
13. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE AGREEMENT IN THE AMOUNT OF \$77,169.25 – DESIGN SERVICES FOR FORT MARCY PEDESTRIAN BRIDGES REPLACEMENT PROJECT; WILSON & COMPANY, INC. (JOHN ROMERO)
14. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT IN THE AMOUNT OF \$185,581.88 – CONSTRUCTION SERVICES FOR CERRILLOS/GALISTEO/ MONTEZUMA INTERSECTION IMPROVEMENT PROJECT; CENTURY CLUB CONSTRUCTION. (JOHN ROMERO)
15. REQUEST FOR APPROVAL OF AGREEMENT BETWEEN OWNER AND DESIGN BUILDER IN THE AMOUNT OF \$522,263 – DESIGN-BUILD SERVICES AT GENOVEVA CHAVEZ COMMUNITY CENTER (GCCC) SKATEPARK; SPOHN RANCH, INC. (JASON KLUCK)
16. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$475,000 – RELEASE OF TWO (2) STATE OF NEW MEXICO DEPARTMENT OF FINANCE, LOCAL GOVERNMENT DIVISION, 2015 SEVERANCE TAX BOND AGREEMENTS 15-0861 AND 15-1166; KITCHEN ANGELS, INC. (DAVID CHAPMAN)
17. *[Removed for discussion by Councilor Villarreal]*
18. *[Removed for discussion by Councilor Ives]*
19. *[Removed for discussion by Councilor Villarreal]*
20. *[Removed for discussion by Councilor Harris]*
21. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE COOPERATIVE PRICE AGREEMENTS IN THE AMOUNT OF \$1,259,382.24 – TWENTY-SEVEN (27) REPLACEMENT VEHICLES AND EQUIPMENT FOR POLICE DEPARTMENT FOR FY 2016/17; VARIOUS VENDORS. (ANDREW PADILLA)
22. *[Removed for discussion by Councilor Ives]*

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**END OF CONSENT AGENDA**  
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**5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – JULY 18, 2016.**

Ms. Helberg noted the following correction on page 15, under Nicoletta Munroe on line 4, change "in fair" to "is unfair."

**MOTION:** Councilor Harris moved, seconded by Councilor Ives, to approve the minutes of the Regular Finance Committee meeting of July 18, 2016, as amended.

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

### **CONSENT CALENDAR DISCUSSION**

**7. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AND BUDGET INCREASE IN THE AMOUNT OF \$198,917.92 – MODIFIED STAGE 1 ABATEMENT PLAN, FRANK ORTIZ LANDFILL (RFP #16/14/P); INTERA, INC. (LAWRENCE GARCIA AND SHIRLENE SITTON)**

Councilor Harris said on page 3 of the Memorandum, it indicates there are 3 bidders, noting that Intera was not the low bidder, although Intera was the only bidder that met the entire scope of work. He asked for an additional explanation by Ms. Sitton.

Shirlene Sitton, Director, Environmental Services Department, said, "There were 3 bidders, but only one of the proposals included everything we asked for in the bid. Because of the phased approach, the other two bidders actually stopped after the first or second phase and didn't provide answers on the rest of the phases. So Intera did a good job of going through all the phases that might happen."

Councilor Harris asked who were the other bidders, and did they indicate the reason they didn't provide a full response.

Ms. Sitton said, "I think they just weren't comfortable with the phased approach. Their responses were generally the 'X will depend on Y.' I do have the other bidders names, noting that Bluewater Environmental, SCS Engineers and Intera were the three bidders."

Councilor Harris said there is a correction on packet page 26, under Summary of Contracts, the Name of the Contractor is listed as "Pilot Program for Food Waste Separation, Collection and Compost."

Ms. Sitton said she will correct that page before it goes to the City Council.

**MOTION:** Councilor Harris moved, seconded by Councilor Ives, to approve this request.

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

**8. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 TO CONTRACT IN THE AMOUNT OF \$131,166.43 – CAMINO CAPITAN, VEREDA RODIANDO, PASEO DE TULAROSA AND PASEO DE CANTO WATER MAIN REPLACEMENT PROJECT; SASQUATCH, INC. (BILL HUEY)**

Councilor Harris said on the Summary of Contracts, the first page is correct in listing \$537,230,

but in the History of Contract amendments it has \$53,230, instead of the original contract amount of \$537,230. He said the total of original contracts plus all amendments is \$668,396.

**MOTION:** Councilor Harris moved, seconded by Councilor Villarreal, to approve this request with the correction.

**DISCUSSION:** Chair Dominguez asked that this be corrected before it goes to the Governing Body, and Mr. Huey said he will do so.

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

**9. REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – ST. FRANCIS SOUTH LARGE SCALE MIXED-USE PROJECT FOR WASTEWATER AND WATER DIVISION; SANTA FE COUNTY. (STAN HOLLAND)**

Councilor Harris said this is a new process for him, and he would like to get a sense of the next steps in the review and approval process without going into a lot of detail.

Stan Holland, Engineer, Wastewater Management Division, said it started with the Settlement Agreement in 2008, which provides that requests by property owners outside the presumptive City limits wanting City water and sewer service must be approved by the City Council and the Board of County Commissioners.

Councilor Harris asked, assuming this approved, if it takes that approval to initiate these service extensions.

Mr. Holland said, "To get the approval of the MOU, yes."

Councilor Harris asked, once the MOU is approved, if they will submit the final engineering on this.

Mr. Holland said yes. He said there are plan sets, depending on the type of system, where they are connecting, and to what degree the Wastewater Division wants control over the overall design. He said we definitely get to take a look at their plans for the connections. He said because they are a City customer, they do come to the plant, so ultimately, "We feel like we have the final say on what that system looks like."

Councilor Harris asked if this will come back to this Committee for further review, or is this it, in terms of extending the water and wastewater service.

Chair Dominguez said it all depends on the details of the contract and the overall scope of the agreement.

Mr. Holland said he understands if the MOU is signed by both Governing bodies, "that's basically it."

Councilor Harris said he is just trying to learn about this, commenting that he has no problem with the MOU, and just wondered what would happen from here.

Mr. Holland said when they come in with the design to the Wastewater Division, "we have feelings about things should look. So if they come in wanting to use the lift station or pumps where we feel a gravity system would work, we'll push for the gravity system before we will allow a pump system. If the tie-in point we feel might cause problems for the community or will be problematic, there is a lot of negotiations that happen up front before it gets to this stage.

Councilor Harris said so this really is just a preliminary design.

Mr. Holland said it's preliminary, but it is enough to let us know what elements are involved in this. It is going to be gravity.

Councilor Harris said he saw that they bore for the wastewater, and then they loop under I-25 through an 18 inch CMP, and he doesn't understand how that will work.

Mr. Holland said, "Knowing the engineer on this project, I said okay. If you can it through in that 18 inch CMP, that's okay."

Councilor Harris said then once the MOU is signed, it then goes to a technical level between Wastewater and Water, "and I'm fine with it."

Chair Dominguez said Mr. Holland talks about how the County lacks the infrastructure to treat and dispose of.... he asked if they have plans to be able to do that.

Mr. Holland said he has been asking the County if it has a Master Plan put together, and his understanding is they don't have one at this time. He understands they have gone back out to bid to get a Master Plan put together to see how they are going to serve the areas outside the presumptive City limits.

Councilor Ives said this is designed to bring wastewater from the facility back into the City system. He said for 2 years we've been looking at the possibility of a new digester, and other attributes within our wastewater system. He asked the levels of capacity within the current system, because we're pursuing development within the City as well. He is curious about the timing in terms of any kinds of significant changes to the Wastewater system, and how these kinds of projects impact the capacity of our system in any significant way and push us more quickly toward looking to do significant capital expenditures. And if so, have we talked with the County about bringing its wastewater into our system might overload that system, and we might work with them to pay for part of an upgrade to that system to accommodate the additional capacity that will be needed.

Mr. Holland said there are two parts, the collection system, the pipes and we also have the plant. He said he will speak briefly to the collection system. He said a master plan study was done, and we are in good shape with our collection system for the next 20-30 years, noting we don't have capacity issues. He said the question the Wastewater Management Division has to look at when projects come in from the outside, is if they utilize lift stations and something along those lines and where they tie in along the perimeter. He said there are smaller diameter lines around the perimeter, plus we have to look at the neighborhoods they might go through. So at this time, without their master plan, we really have to look at each one as it comes in individually to see where they will tie-in. If it present problems, then we will tell them they can't tie-in there because the lines can't handle the capacity and there may be other issues. He said Director Jones can speak to the plant issues.

Councilor Ives asked Mr. Holland if he said we don't have capacity for issues for 23 years.

Mr. Holland said the outlook is 20-30 years out, based on a 1% growth rate over that period, we do not see any major capacity issues within our collection system as it is now.

Councilor Ives asked what a 1% growth rate translates into, in terms of additional wastewater coming into the system.

Mr. Holland believes it puts us close to 12 million gallons per day.

Councilor Ives said he still somewhat uncomfortable not knowing capacity of the various pieces of the system. He said as the result of conservation efforts, we will have 5 million gallons coming into the wastewater plant per day.

Mr. Holland said it is roughly 5.5 million gallons a day.

Councilor Ives asked if we will need the new digester at approximately \$40 million, and asked if this is correct.

Mr. Holland said currently, we are in the design for new digesters at the plant, noting it has been determined that we do need those.

Councilor Ives asked if we are including the new digester as part of our system, in terms of our capacity for 20-30 years out.

Mr. Holland said, "What I was trying to say, is I was speaking initially to the collection system, the piping system, that part, we're good there. The plant is a separate issue to be addressed. And I was going let our Director deal with some of the plant issues we're looking at."

Shannon Jones, Director, Wastewater Management Division, said to highlight a few points, we just completed the 5 year master plan, which included a look at the collection system and the facilities. He said two things we learned in the master plan, is that there are no capacity issues in the collection system. He said a couple of take-aways identified that our service area identified in the master plan is what is inside

the City limits, our drainage basin and existing developments that we knew about. However, we didn't have the opportunity to look at the County's growth development potential because of the lack of the master plan, and we couldn't incorporate that information. He said the master plan does allude to the reason we chose that service area.

Mr. Jones continued, saying currently, within the presumptive City limits, the property is built out at only 60%. So calculations were included in the master plan that looked at the remaining 40% of the land inside the City limits. If current trends continue in terms of zoning, types of units being served, and incorporated that, as we come into the 20-30 years they did show pipelines with capacity issues. However, the report talks about our ability to use different lines for bypass flows to split. He said it is a very robust and dynamic collection system, which alluded to the reason we don't see current capacity identified in the service area we looked at. He said a lot of these developments we're talking about are in addition to, and those calculations weren't included in the Master Plan.

Mr. Jones continued, "As we looked at the facility, again when we looked at capacities, it looks hydraulically and solids based. Hydraulically, the plant did look in mint condition. Solids, we did approach those [inaudible] earlier and we have moved forward with the anaerobic digester project. Currently the plant produces about 46,000 gallons of biosolids a day, just going through the numbers. The other thing that drives the treatment plan is, of course, our regulatory requirements. And we just completed about a 1½ year process of working with the EPA and NMED on our National Pollutant and Discharge Elimination System [NPDES], which really drives what we are allowed to discharge into the Santa Fe River."

Mr. Jones continued, "So right now, that has gone in its final draft, public comment has been given, and the permit goes into effect September 1, 2016. Part of that permit, the addition of nutrients has been added to our permit. So for the past 1 ½ years, I have worked with the City's Compliance Office, Nick Schiavo, Public Utilities. I'm really keeping him apprised of what this means for us. The original recommendation coming from NMED, having to do with the actual nutrient loadings, actually had phosphorous limited to 7 pounds per day. And in talking to Nick, really the basis was what does that mean for us today. And what I communicated to Nick was, if we receive a permit with 70 pounds per day total phosphorous, we can tweak a few things, but within 5 years we will be discharging the 70 pounds per day. To put it into context, even in 2015, looking at every day's data, there were times when we exceeded the 70 pounds all the way to 102 pounds per day. Fortunately, through the permit, it's really driven by a 30-day average, so if you can do better the other 30 days, you can pull that in, and sometimes that's how operations live. You live for that average."

Mr. Jones continued, "So we did a tremendous amount of work, actually really negotiated tons of papers and letters, and argued, and actually got that increased to 108 pounds per day for total phosphorous in our final permit. What does that mean. That gave me the ability to go back to Nick and say, okay, now we're not talking 5 years. We're probably talking 10 years before the Maximum Daily Limits [MDL's] are imposed on the River, and they use the same rationale, we could be talking 10 years before the City really has to make a capital investment."

Mr. Jones continued, "Things we were looking at was the City of Ruidoso which has nutrient limits, and it's been 5 years, and they failed to meet their permit limits, and have invested approximately \$34 million in treatment to still come short of meeting the limits that were set. We also looked at the City of Raton who actually got nutrient limits imposed on them as well. And the last I heard, they were having trouble meeting the nitrogen limits. So taking that all into account, and really trying to be apprised of what does this mean, we have been looking at what other cities are doing, and really trying to understand what that means for us. So currently, within the next month they are working to release an RFP to bring in an engineering consultant to do a Nutrient Removal Optimization Study to really help us understand our treatment processes and realistic treatment goals for each of these nutrients, realistically what can be met today. We also want to begin to look at the loadings of the River and its capacity assimilate these nutrients to position ourselves for NMED looking to actually impose the MDL's on the River within the next 5 years and what that means for us."

Mr. Jones continued, "Looking at growth, I pulled together some numbers. Inside the City limits, my data shows that I added 227 customers in 2015 inside the presumptive City limits. In addition to the process of MOU's and these developments, still keeping in account that some of these have not been completely built-out, but we actually committed to 654 units outside the presumptive City limits, so, really, almost 3:1. Again, refocusing on the master plan, looking at our current service area, we didn't have the ability to look out. And I will add, on my desk now, I have another 102 units through two separate MOUs that also are looking to come forward to the Governing Body. So really, what all that means, at the end of the day, when we look at capacity, I do believe it is my job to make sure that the City does not run out of capacity. We do that through our strategic planning, our master plans and how we optimize and treat. The reality is how fast do these things occur. So in one month, I'm talking to my supervisor and telling him we did a lot of hard work on the permit. We added 38 pounds of our ability to discharge, and we see this increased growth going in, we're on the current trend, and we may not be looking at 10 years any more, we may be looking at 3 years, which is my compliance schedule for the existing permit I just got."

Mr. Jones concluded, "So we definitely take this seriously, and we're looking for impacts. It doesn't necessarily come down to a 20 unit development. We do monitor the design, how it comes in, we keep apprised of the commercial and industrial businesses going in, what that means. We do have our technically based local limits, so we're regulating that, but really what we're talking about is, one, the long term about how fast does this continue to grow. And without a master plan, it's really hard for us to grasp what that means and what the timeframe is. But we are definitely tracking the immediate impacts and project conservatively how many years before it initiates that facility upgrade, either treatment or capacity."

Councilor Ives said he appreciates the succinctness of Mr. Jones remarks. He said it is disappointing we didn't take into account the impacts of facilities outside the jurisdiction, as part of our master plan for wastewater treatment. He asked if he mentioned a 2:1 development comparison between what's happening in the County versus what is happening in the City.

Mr. Jones said yes, it is a ballpark number between 227 inside, 654, so it's rough math, but that's just in 2015.

Councilor Harris said he also appreciates the information just provided by Mr. Jones. He would assume Mr. Jones has a spreadsheet or tally about what the exposure would be if the pace should really pick up in terms of approved projects outside the presumptive City limits. He asked Mr. Jones if he has a tally of that in some fashion.

Mr. Jones said, to the master plan, they have looked at existing developments, but without the County having a master plan there was no way "for us to even wrap our minds around what that expansion would look like." So we noted in the Master Plan the reason we weren't able to include that information. He said as far as mapping the tally, "Honestly Councilor, it's kind of like a pencil to napkin as it went down. But currently, looking at the influence flows, our nutrients is really what is driving. It's really something new to us, unknown. The TSS, the biological oxygen demand, are things we have dealt with since the facility was built in 1965. We really have a good handle our percentage of removal, our loadings, and we understand the impact of the nutrients of the ones up front and center for us. So those kinds of numbers, looking at the loadings coming in, and looking at our ability to remove that." He said if he had the ability to remove 95% of the total phosphorous coming into the facility, means he can remove 2,300 pounds of total phosphorous coming in. He said, "That being said, based on the average of existing customers and the volume coming, it is about .06 pounds per unit, so again, back of the napkin math, that's about 38,333 units that would provide 2,300 pounds per day of total phosphorous."

Councilor Harris said, "You clearly know your numbers. That's great." He said what he is really asking is if he knows how many MOU's, similar to this one, have been approved that have not been acted upon. That's when I asked about exposure."

Mr. Jones said the MOUs that have been approved have been included in his numbers to the complete build-out. He said this development has 24 units, if that doesn't build-out for 10 years, he's already accounted for it. He said there are 2 MOU's on his desk now, but doesn't know more than that.

Councilor Harris said, "If you're current in terms of factoring-in, I think that's appropriate, but anyway, I'm impressed with your presentation, thank you."

Councilor Ives said he appreciates Mr. Jones' capability with numbers, but it sounds as if there are things we don't know because we haven't looked hard at them. He would like for Mr. Jones to send him a copy of the 5-year plan for Wastewater Management, and what he knows of the County's plan in terms of developments they want to tie into the City. He said we recently did the Caja del Rio senior campus and one of those facilities, but didn't have this kind of discussion at that point in time. He thinks it is time that we start to look at these issues, because he is concerned about those capacities and load figures. He asked if know what the County charges for water to people coming into these facilities.

Mr. Jones said he doesn't know the County's rate structure.

Councilor Ives said he would like to make sure he gets this information. He said the City and County will be competing for development, and if we have bonds for improvements on the Wastewater Treatment Plant which the County doesn't have to incur, that playing field doesn't remain level or creates incentives that might not benefit the City.

Councilor Ives said this request has been through Public Works and is on its way to Council. He reiterated he wants to understand more things before he votes for/against on this issue.

Chair Dominguez asked how the Settlement Agreement fits into this whole story.

Mr. Jones said a section of the Settlement Agreement talked about how these developments would be served to have the potential and what identifies the particular water and wastewater review team. He said as developments come forward they are presented to the County. The County brings forth an application on behalf of the developer. The review team meets and identifies the need, safety, health, economic impact – what is the need for the connection – and it looks at the feasibility what it means for us. He said once the review team has gone through its process, and the application is complete, they then work with Legal to develop the MOU and bring it before the Governing Body. He said by the time the Governing Body sees it, it has been reviewed, and deemed to be feasible and will work.

Chair Dominguez said then that whole process was negotiated between the two parties.

Mr. Jones said that is correct.

Councilor Harris said there are some legitimate long term questions and it would be good to start to develop a construct about how to deal with these requests in the future.

**MOTION:** Councilor Harris moved, seconded by Councilor Ives, to move this item forward without recommendation.

**DISCUSSION:** Chair Dominguez asked if this was approved by Public Utilities.

Mr. Jones said yes, and it is on the schedule for Public Works on Monday, August 22, 2016.

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

**10. REQUEST FOR APPROVAL OF BID NO. 16/39/B AND BUDGET ADJUSTMENT IN THE AMOUNT OF \$1,625,239.08 – ARROYO DE LOS CHAMISOS DRAINAGE IMPROVEMENTS, EROSION CONTROL AND BANK STABILIZATION REPAIR AND CONTRACT FOR BASE BID AND BID ALTERNATIVES 1 THROUGH 5; RMCI, INC. (MELISSA McDONALD)**

Councilor Harris said he sent an email earlier today to Ms. McDonald, but he had problems with his iPad, but he did resend it later. He said this is another situation where we are not awarding to the low bidder, and awarding to RMCI, Inc., which is a good company. He said Lockwood bid and with the local preference were the low bidders. He said the engineer of record said Lockwood doesn't appear to have the require licenses, and who confirmed this – what was required, what did Lockwood have. He asked if procurement confirm.

Leroy Pacheco, Supervisor, River, Watershed & Trails Section said, the procurement process went from our engineer of record, Mike Gomez, Santa Fe Engineering, through the procurement office. He said it was confirmed by procurement and Mr. Rodarte is here to answer any follow up questions. He said the license in question is a GS-4, which is a required license that Lockwood currently doesn't possess.

Councilor Harris said the statement was Lockwood didn't "appear" to have the licenses, and he wanted to make sure we were more specific. This is a little above the Engineer's estimate, but he is glad to see we can do the base and all 3 alternates.

**MOTION:** Councilor Harris moved, seconded by Chair Dominguez, to approve this request.

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

**17. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT IN AN AMOUNT TO EXCEED \$50,000 – CITY-WIDE AUTOMOTIVE VEHICLE, HEAVY EQUIPMENT REPAIRS AND TIRES; VARIOUS VENDORS. (ROBERT RODARTE)**

Councilor Villarreal said usually it says "not to exceed," but this amount is going to exceed \$50,000, and asked for an explanation, commenting it is open-ended, but we would still review some of the contracts that exceed \$50,000. She is trying to understand how this is different from all the other price agreements. She commented, "And we still need to meet about that too, but if you could just explain that."

Robert Rodarte, Procurement Officer, Purchasing Division, said, "In this particular case, you will notice that I identified several of the vendors that will exceed the \$50,000 mark annually. Remember, during the budget process, the departments will put together what they think they are going to need to make it through the year with maintenance and repairs and whatever. These contracts are put together by the State, in order for us to piggyback off them. We utilize several of these to move us through procurement process without having to bid them on our own. Your question basically is to... what are you trying find out."

Councilor Villarreal said, "Well, I guess it says that it's kind of open-ended, but maybe Oscar can describe about what we were talking about earlier.... I'll let you go ahead and explain what we were discussing."

Mr. Rodriguez said, "I understand your concern, and that is we are asking you to approve a contract that could maybe surprise you later on that so much was spent. And I just want to point out to you the controls that you have here, so that, one, you know exactly how much you are approving, etc. In the first place, when you approve the budget, you appropriate the resources for us to go into such a contract, so that's the first control point and we try and be as transparent with that and sharing with you how much we think each department is going to spend in these different sources of areas, so you can weigh in at that point. Beyond that, really we are dependent on the individual departments... at that point we will know which contract they are consuming."

Mr. Rodriguez continued, "If you wish, we could give you a periodic status. We try to do that anyway in general form through the monthly Financial Reports. But, at any given time, if you want to see where it is, so you are not surprised, so you can exert your Council control over this, we will be glad to provide that extra information."

Councilor Villarreal said it would help to know where certain departments are with these particular agreements, because we don't see it. She said, "If someone were to read this, they would say like wow, that just opens the door to anything possible. But now that we have talked, I know there are steps in place. Obviously, we look at the budget and there are other steps that you all take. So that makes me feel better. That's all I had for this particular item."

**MOTION:** Councilor Villarreal moved, seconded by Councilor Ives, to approve this request.

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

**18. REQUEST FOR APPROVAL OF AMENDMENT NO 3 TO PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$8,000 FOR A TOTAL OF ~~\$48,300~~ 40,300 – FY 2016/17 HOCKEY REFEREE SERVICES FOR ICE ARENA HOCKEY LEAGUES AT GENOVEVA CHAVEZ COMMUNITY CENTER; NEW MEXICO HOCKEY REFEREE CONFEDERATION. (LIZA SUZANNE)**

Councilor Ives said the Memo indicates we can handle a capacity of up to 150 adult hockey players in the 3 leagues. He asked how many players have we had over the past 3 years playing in the leagues.

Tom Miller, Ice Rink Manager, said Liza Suzanne is on vacation, and apologized for missing the July 5<sup>th</sup> meeting when this first came up. He said the number of hockey players is estimated at 120-150 per season, noting it is steady and the way it has been since he was put in charge in 2008.

Councilor Ives said it appears there is an annual fee of \$210 per player, which is the source of the \$60,000. He said the Memo indicates that players must purchase a set of 2 Jerseys for \$80 to play in the League and purchase 4 pair of socks for \$20. He asked if that is part of the \$210, or in excess.

Mr. Miller said the fees increased on July 1, 2016, from \$198 to \$210. He said that is just for the hockey.

Councilor Ives asked the annual cost to run the entire rink.

Mr. Miller said he doesn't know, noting the Ice Arena doesn't deal with the utilities which is the major cost. He said it is roughly \$600,000, without utilities.

Councilor Ives asked what other revenues we have coming from the ice rink itself, aside from the hockey leagues.

Mr. Miller said there are multiple user groups, and service about 50,000 skaters a year. He said they also have adult hockey, youth hockey, figure skating free style, and two private figure skating groups that use the Chavez Center as home ice, and go around the nation to compete. He said they started Curling two years ago, as well as having birthday parties and public skating, and one of the business units is User Fees and that is from sharpening skates, fixing ice skates, cleaning uniforms all of which would be a user fee.

Councilor Ives asked about the total individuals per day using the facilities across the Santa Fe community.

Mr. Miller said the estimate for the whole building is 2,000 patrons per day, so during peak times the ice arena would have about 300 per day during hockey season.

Councilor Ives asked if he has a sense of how many individuals use it.

Mr. Miller said no.

**MOTION:** Councilor Ives moved, seconded by Councilor Villarreal, to approve this request.

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

**19. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND MAINTENANCE AGREEMENT IN THE AMOUNT OF \$62,944.38 – ANNUAL HARDWARE AND SOFTWARE MAINTENANCE OF LIBRARY SYSTEM FOR LIBRARY DIVISION; INNOVATIVE INTERFACES, INC. (PATRICIA HODAPP)**

Councilor Villarreal asked if IT provides any services to the public library, or if Innovative Interfaces, Inc., is providing all services.

Mr. Rodriguez said IT does provide a certain amount of support.

Councilor Villarreal asked if Innovative provides services beyond the scope of our IT Department.

Mr. Rodriguez said the Library uses a specialized software. He said, "Both the acquisition of the hardware, software, etc., is all provided by the State, so it's specialized. So in essence, this is the support of that software per an agreement. And that's something IT can't provide because it would break the warranties, etc. And that's really all I know. I apologize staff is not here to answer questions."

Councilor Villarreal said, "I was trying to figure out exactly what was the difference between our IT Department.... and I did understand the software was the specialty item, but anything else that deals with our networking, just general support, we provide."

Mr. Rodriguez said yes, like any department.

Councilor Villarreal said, "So this particular service covers all public libraries."

Mr. Rodriguez said, "Yes. But it is this specialized hardware and software."

**MOTION:** Councilor Villarreal moved, seconded by Councilor Harris, to approve this request.

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

**20. REQUEST FOR APPROVAL OF 2015-2016 CDBG CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REVIEW (CAPER). (MARGARET AMBROSINO).**

Councilor Harris said this is a new document for him and there is a lot of information. He said on packet page 61 CDBG Activity Summary Report for Program Year 2015, which is the Homewise down payment assistance program. He said there is a total funded amount of \$320,489.82, and during the program year \$26,365.12 has been drawn down. He asked if there is a lag in reporting, is there difficulty in finding qualified buyers for the program.

Ms. Ambrosino said she believes he is looking at the HUD IDIS Report disbursement information system which is where they report CDBG program accomplishment, and that system also tracks the draw-down money for projects. She said these reports represent among many things, the down-payment assistance and others and the 11 projects that were funded, and closed out in the program year.

Responding to Councilor Harris, Councilor Villarreal said it is the Integrated Disbursement and Information System.

Ms. Ambrosino said this is project reporting that HUD requires, and we have reported the program accomplishments, and the Homewise Housing Trust has drawn down most of its money, so that number may represent prior year money that hadn't been spent or had been carried forward, and that we have done. And if the contract was not extended, those funds would be reallocated to other projects. She said that explanation is in the body of the document, but these are supplemental reports that are difficult to explain at times. She said she can do the best answering questions on the body of the document, because that represents the true accomplishments of the program for the year.

Councilor Harris said she can go ahead and make a general statement, commenting this is the first time he's seen this.

Responding to Councilor Harris, Ms. Ambrosino said this is on page 4 of the CAPER document, on packet page 29. Ms. Ambrosino said, "The goal was to fund 11 loans at CDBG and a total of 20 homebuyer loans were completed for the CDBG funded portion. The City also funded in that program year, in addition to the CDBG money, Affordable Housing Trust Fund, which is a City trust fund, and 21 down-payment assistance loans were funded through that fund. So the goals have been exceeded and 83% of that fund was spent, \$151,500 of CDBG, was funded toward down-payment assistance."

Councilor Harris said he thinks he needs to look at this packet more closely between now and the Governing Body meeting. He was concerned, because he thought he was seeing a pattern that the monies allocated weren't being put into service, which is only real concern. He said for example, that pattern seemed to exist for the Housing Trust as well. He said he will look at it more closely, and perhaps at the Governing Body meeting he will have more questions.

Mr. Rodriguez said, "I want to make it clear to the Committee that from time to time you will get staff who will say they don't have the electronic version. I just want to make clear to you that what you have in the [inaudible] version is exactly the same material that was submitted by the departments as backup. So it isn't anything new and nothing is missing, and it's not in a different form. It's just the electronic versus the paper, so there should be no disconnect here. I understand we're still practicing and everybody is getting used to it. I just want to make it clear, should there ever be any doubt that somehow what you have in your electronic format is different in any way than what was submitted in paper, you would have been seen had it all be in paper. Just to make sure there's no doubt there."

**MOTION:** Councilor Harris moved, seconded by Councilor Villarreal, to approve this request.

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

**22. REQUEST FOR APPROVAL OF AGREEMENT – FY 2016-2017 UNION MANAGEMENT NEGOTIATIONS FOR POLICE DEPARTMENT; SANTA FE POLICE OFFICERS ASSOCIATION. (ANDREW PADILLA)**

Councilor Ives said he has questions on the current status of the contract.

Deputy Chief Andrew Padilla said this is the current contract for this fiscal year. It was ratified by the Police Officers Association and what is being presented to you at this date and time.

Councilor Ives noted that nothing "in here has any fiscal impact."

Deputy Chief Padilla said this is correct.

Councilor Ives congratulated him on that. He said Section 6 Compensation summary in the memo was somewhat confusing, in part because it seemed to cover so much territory and so many different positions. He said it sounds like we have eliminated one Police Officer position entirely, and asked if that is gone from the Organizational Chart, or will be once approved by the City.

Deputy Chief Padilla said that is correct.

Chair Dominguez asked Councilor Ives if he is talking about Section 16.

Councilor Ives said, yes, Section 16 Compensation. On the third line it says that one vacant police officer was eliminated which allowed you to bump up the pay scale for Animal Services and Public Safety Aides on a scale ranging from 12.60% and 14.95%.

Deputy Chief Padilla said that is correct.

Councilor Ives asked the total dollars involved in that position.

Deputy Chief Padilla said it is based on seniority for the personnel in this position, from \$1.60 to \$1.94, and the overall budget for the position was \$82,528, and they considered the benefits, a 7% overtime rate, and then the funds used for the actual raises.

Councilor Ives said it should say, rather than no fiscal impact and this is mincing words, that there simply was a net zero fiscal impact. He said by eliminating a position the funds were brought back into the budget to be spent again. He said no worries there. He said in terms of the Auxiliary Field Training Officers, the \$125,000 is what the officers receive if they have a trainee for a month.

Deputy Chief Padilla said that is correct.

Councilor Ives asked the number of trainees we have at any point in time, and how many officers are out there with them.

Deputy Chief Padilla said currently there is one trainee, noting he recently resigned. He said it ranges from one officer to 6 officers, noting there are 10 in the Academy at this point. They are scheduled to graduate at least one week before Thanksgiving.

Councilor Ives asked how much of trainee time they have once they come out of the Academy.

Deputy Chief Padilla said this is a 14 week FTO Program.

Councilor Ives said in Section 20 Sick Leave the maximum hours of sick leave bank hours granted by the Association moved from 960 to 480 hours. He asked how the sick leave bank works.

Deputy Chief Padilla said if you are a member of the POA, you must contribute in order to pull from it. He said extended leave, family related emergency, personal sick leave, can be requested, through the POA, for hours to go on the extended leave.

Councilor Ives asked if it is one for one exchange.

Sergeant Troy Baker said members of the POA donate sick leave, annual leave and compensatory hours they have earned to the sick leave bank. If members have a serious illness which will exceed their accrued leave, they can request from the Union to draw from the Sick Leave Bank. The contract modification is bringing it in line with the Union By-laws where a limit wasn't set previously and to prevent people from drawing on the Sick Leave Bank indefinitely and not getting back to work.

Councilor Ives said in the organization for which he works, they have capacity when someone needs additional annual leave, they can request that, and they can donate a certain numbers of hours or days of leave time to that persons. He said this sounds similar to that.

Sgt. Baker said unlike the County where people have to solicit hours from other members, this actually is a bank that stays there for our members to draw from at any time, noting it is managed by the finance person and the Union. He said they know how much is in the Bank at any time. They are trying to bring it to a reasonable amount to cover 12 weeks leave, where before it was indefinite on a case-by-case basis. He said they still can grant additional hours on a case-by-case basis, but they want to encourage people to get back to work as soon as possible and not to look "at this as you own free vacation fund."

Councilor Ives said it sounds like a great program where officers take care of officers, and he applauds those efforts and those contributing to the bank, commenting it sounds like a great thing.

Councilor Harris asked if a 3-year contract is typical.

Deputy Chief Padilla said they try to do that so they can minimize having to keep going in negotiations. He said they have fallen behind, noting they were 4 contracts behind. He said with past administrations it was pretty much "the land of no," so they really got behind. He said they have completed 4 contracts in a very short period of time. They are trying to change the period when we can go back into negotiations, noting under the current contract they can't go to negotiations until January 1<sup>st</sup>. By the time they get the sessions scheduled, they didn't get started until February, so they always are behind the budget cycle. He said they are in crisis mode in terms of pay for Police Department, noting there has been no negotiated pay raise for 8 year. There are 24 vacancies and possibly there will be more. He said we have annexed 13,000 additional residents, and approximately 65% of the Sheriff's Department calls are coming from the newly-annexed territory. So their call volume has skyrocketed already, with fewer officers doing the same job. They are trying to get this contract where they can start negotiating ahead of the budget cycle, instead of always being behind, where it's like, 'Sorry. Budget's set. We can't do anything.'

Chair Dominguez asked the page where the terms are listed.

Deputy Chief Padilla said it is on packet page 60, page 54 of the Agreement. He noted a correction on the vacancy rate, noting there are 12 vacant police officer positions at this time, not 24.

Councilor Harris said this is a 3 year agreement, noting Sgt. Baker said for different reasons, this hasn't been settled timely in the past. He said this agreement also applies to compensation. He didn't understand where Sgt. Baker was taking the compensation discussion, getting ahead of it into the budget cycle.

Sgt. Baker said this is a 3-year contract overall, and annually they can reopen 2 non-economic and then economic every years. He said we negotiate the entire contract every 3 years.

Councilor Harris said then there is a 3-year contract, but we negotiate compensation annually, and Sgt. Baker said that is correct.

Councilor Harris said the format is reduced, and it is hard to read in the format, and asked to receive it in a normal format which would be much easier to comprehend. He said we're just getting that.

Councilor Harris said then there is a 3-year contract which sets various terms, but it also allows for an annual review of compensation, and asked where he would find that language.

Deputy Chief Salbidrez said, "It's in our contract as well. If we were to do a year to year contract, that means we have to negotiate the entire contract every year, so we do it with a 3-year contract. That would allow each side to open three sections, and mutually they open Section 16 which is the Compensation, every single year so we can address issues with that."

Chair Dominguez those are his questions as well. He said, "If I read this, it says compensation cannot be reached prior to the commencement of the new fiscal year. So I think what I hear you say Sgt., is that you are planning on bringing something forward by this next FY 17/18."

Sgt. Baker said once this is approved by the Governing Body, it changes the time period during which they can go into negotiations. He said so we are already behind on this contract, which should take effect July 1<sup>st</sup> of this year. He said with the language change in the contract, we can go into negotiations on August 1<sup>st</sup>. He said immediately on approval of the contract by the Governing Body, they will request to go into negotiations for the contract that would take effective July 1, 2017.

Chair Dominguez said then you will open negotiations as soon as this is approved for compensation for the next fiscal year, and Sgt. Baker said that is correct.

Chair Dominguez said he doesn't understand the sentence, '*..compensation will not be reached prior to the commencement of the new fiscal year. Those provisions outlined in Section 16. Compensation shall be continued at the previously agreed compensation rate, until a new agreement is reached.*'

Sgt. Baker said that is basically saying if we didn't increase the pay rate during this negotiation that people would remain at their current pay rate until a new pay rate is negotiated.

Chair Dominguez said, hopefully, we don't do that, because it's taken us a lot to get to this point, commenting this has been a long time coming. He said for the last several years, it's been difficult for you, and having that "hanging out there doesn't help." He said hopefully, "You guys can negotiate something that is workable."

Sgt. Baker said, "That obviously, will be up to the Councilor, and again, we will be meeting with you..."

Chair Dominguez said, "We're not going to interfere in your negotiation, and hopefully, we will honor the process and allow you guys to negotiate that based on this contract. I understand what you're saying. We're responsible for the operating budget."

Sgt. Baker said we're just playing catch-up, reiterating they were 4 contracts behind, and they are playing catchup and change the timeframe we can begin negotiations with this contract, so hopefully we will never fall behind again.

Chair Dominguez thinks it's a smart move and a good thing, and will feed into the whole discussion on Item #24.

Councilor Ives said he couldn't find the language on the shift from January to August, anywhere in the summary of changes, and asked if it is there.

Sgt. Baker said he will have to look, but it specifically is in one of the sections they are changing in the Contract. He thinks that is in Section 44 of the contract itself.

Councilor Ives said he didn't find it in Section 44 of the contract.

Sgt. Baker said it is on packet page 61 under Section 44.

Councilor Harris asked if all police officers are members of the Association.

Sgt. Baker said no, probationary officers cannot join the Association until they are off probation. He said, "They are fair share, they just don't have a vote at the beginning, until they are full members, and they can choose not to be members. It's an application process, and they select to be a member or not. It is not a requirement.

Councilor Harris asked the approximate percentage of sworn officers who are members of the Association.

Sgt. Baker said they also represent civilian employees, and not just commissioned officers, noting they have Animal Control, Public Safety Aides and some *[inaudible because two people talking at the same time]*. He said the percentage of participation in the union is about 99%. He said there are approximately 150 members sworn and non-sworn personnel altogether.

**MOTION:** Councilor Harris moved, seconded by Councilor Villarreal, to approve this request.

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

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**END OF CONSENT CALENDAR DISCUSSION**  
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## DISCUSSION

23. **REQUEST FOR APPROVAL OF A RESOLUTION DECLARING THE INTENT OF THE CITY OF SANTA FE, NEW MEXICO TO ISSUE ITS QUALIFIED ENERGY CONSERVATION BONDS ENTITLED CITY OF SANTA FE, NEW MEXICO QUALIFIED ENERGY CONSERVATION REVENUE BONDS (HOMEWISE ENERGY CONSERVATION FUND PROGRAM), SERIES 2016, IN AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$5,000,000 IN CONNECTION WITH THE ESTABLISHMENT OF A PROGRAM TO FINANCE RESIDENTIAL RENEWABLE ENERGY SYSTEMS IN THE CITY OF SANTA FE (THE "PROGRAM") FOR THE PURPOSE OF INDUCING HOMEWISE TO IMPLEMENT THE PROGRAM AND TO PAY THE COSTS OF THE PROGRAM FROM PROCEEDS OF THE BONDS; AND CONCERNING RELATED MATTERS (COUNCILOR DOMINGUEZ) (JOHN ALEJANDRO). Committee Review: City Council (scheduled) 08/31/16. Fiscal Impact – No.**

Nick Schiavo, Director, Public Utilities Department, said he brought Mike Loffin, Homewise in the hope he will be able to answer questions with respect to income levels and other questions about the proposed program. He said he will stand for questions, reiterating that Mr. Loffin is available to answer questions about this request.

- ◆ Councilor Villarreal said we know these are bond funds and have to be used within a certain amount of time. She asked how Homewise prioritizes these funding sources so they are used for the individuals who are of limited income. She said, "What I was trying to convey to my colleagues here, is that we do see homes that are extremely inefficient and usually those are the people with limited income. So, could we prioritize those particular households with this particular money, even though it's not necessarily set by the federal standards. But I guess I was wanting to see your method of how Homewise prioritizes. Is it just based on who comes in to asked for these particular loans, or do you do outreach to members of the community to let them know these options are available. Because that's what I'm really seeing. I would really like for the public, especially people that are in most need of this kind of support, that they would know about these options, so it doesn't get the.... I mean we want everyone to benefit from it, but I see the most underserved as the limited income households. So I guess I would leave that open to you to discuss that process."

Mike Loffin, Executive Director, Homewise, said, "Sure. What we try to do is target.... always for Homewise, it's someone who is an organization that is serving modest income households in general. We will do that through outreach and marketing, and really try to market. And one of the goals on energy conservation in solar renewable energy thing is to get just regular working people to see that as an opinion. Right. That it's not just for Emerald Homes and Las Campanas for that kind of thing, right. But you can mainstream, like this is something for everybody. So we think the best way to do it is to make it available to everybody. Really focus marketing on people who may not know about it, so that we get the word out there. And what we find, rather than trying to manage scarcity, is like we really look at how we build momentum here, so if we could deploy this \$5 million quickly, we think that really increases our chances of raising new money to help more and more people."

Mr. Loftin continued, "If we find if we market and if we do outreach properly and make it available to everybody, if somebody who is above the... if you put an income limit and someone is above the income limit, they don't get it. What they hear is you can't get it, and they tell their friends, coworkers, and family, yes I applied, I couldn't get it. We want everybody saying good things, this is something you should do, build momentum around it and try to make it available to the whole community. This money is limited, because there's only \$20 million total allocated to the State. Silver City is the only City that has used it so far. But because Silver City is using it, we think everybody else will realize, yes there's something out there. That's what we really want to go after, and we're going to have to deploy it quickly."

Mr. Loftin continued, "The way we're going to fund this is getting financing from a bank that will write down the interest rate essentially, is what this bond does, but the actual money comes from a bank. Our intention is if we can do this and show that the success of this is going back to those financial institutions and say let's keep doing it again. We may not be able to get the federal subsidy, but at least, we will figure out how to finance this and keep it rolling. We don't want this to be a one time deal. What I would love to see is for Santa Fe getting recognized having more residential rooftops with solar than any City in America. You've got to have an attitude of abundance and we're just going to just keep rolling on this thing. So I would be cautious about putting an income limit on it, but I think what we want to do is to really prioritize marketing low income folks who may not know about this, and don't even see it as option, so we serve the entire community, including people who really need it."

- ◆ Councilor Villarreal said, "On that point, there was a discussion about well, people with limited income don't necessarily have the credit and ability to be able to manage this loan. And I feel you all have done a good job to help folks that don't necessarily have the credit and don't have that kind of structure in place to help them get there. So, can you speak to that point."

Mr. Loftin said, "Low income doesn't mean you have poor credit, it means you have low income. We are very committed to helping people who have bad credit to improve their credit and provide access to that. So if people can't borrow, because we have to pay the money back. So if people don't pay us, like we've got a problem. So we're going to work with people to improve their credit scores and history and build those financial habits so anybody can borrow from us. Obviously, if somebody's income is really low and they can't afford an additional payment, then that doesn't work. Because if you put them under water, they can't afford the payment. One thing we have done and we have used a little bit of the CDBG money to do this, because energy stuff is eligible for CDBG. For people who have very low income, we've been 0% deferred loans, where is no payment so they can reduce their energy bills which helps them get ahead."

Mr. Loftin continued, "Our mission is actually not home ownership, our mission is to help people improve their financial security. We do that through successful home ownership, so we're very committed to serving a broad spectrum of people. Someone with very low income and owns a home, like a senior on a fixed income, this is not the right money to use for that, because you will have to do 0% deferred loans. But we're committed to keep digging for that. There's a federal home and bank program that allows you to do some of that, and we can tap into that. It runs out

of money every year, but at the beginning of the year, we always go after it really hard. So, we'll continue to do that. This isn't the only way to do energy conservation, but it will be the biggest one."

- ◆ Councilor Villarreal said, "I'm going to yield. It was a discussion at Finance that some people thought, well, this is not a grant, and I understand the difference between a grant and a bond. I just was trying to figure out ways that we can continue to look and prioritize for low income, for energy efficiency especially, because I feel like that's always the... well I hear about it certainly. Like, well those kinds of credits and the tax credits and programs are only for people that have an income to be able to make it work. And I don't agree with that. I think there's ways we could do it. So, we did add language that Nick may have shared with you that I think was reasonable, and it wasn't necessarily saying this the is the end all be all, but, and I can't remember how Councilor Ives kind of framed it that evening, did you share that with him Nick."

Mr. Loftin said yes, and he thinks it was around prioritizing folks with low income. He said, "One thing I would add is that certain energy programs, like solar for instance, because your savings is very predictable, so our goal is to get your move on payments, even though you're paying out a loan, it's not a 0% deferred loan, you paying out and making on a loan. But that is not more than you are saving on your electric bill, so it's a wash, right. So even a low income person can take advantage of that. It works with solar because the savings on solar is very predictable, because know exactly what you can generate. Windows and stuff, it's way harder to estimate, but we're committed. Part of this is, we want to reduce the carbon footprint in Santa Fe. We want to help this industry. These are jobs that you have to live here to work on, for example on a house, you can't outsource that overseas, so it create jobs. But the other thing it does, is to build peoples' financial stability, because you are reducing their energy costs. That's a good way of helping people get ahead and become more middle class."

- ◆ Councilor Harris said the language for the proposed resolution only talks about residential renewable energy systems. The discussion we had at the Governing Body really was about energy efficiency. Both referenced qualified energy conservation bonds, but we're talking about the same pool of money aren't we, whether it is energy efficiency or renewable energy systems.

Mr. Loftin said that is correct.

- ◆ Councilor Harris said that is one thing he wants to make sure of, \$5 million. He said he heard Mr. Loftin describe his approach, going to the market place and trying to make people understand what is out there and get people talking about it. He said the language we looked at previously was low and moderate, but here we don't have that language. So the discussion of low and moderate led to the eventual amendment to the Resolution that talked about prioritizing low. I think the way it was structured, is if we have \$6 million of applications for \$5 million of fund, that we would prioritize low income. He said, "My question to you is, under this federal program, can we do that."

Mr. Loftin said, "That is a good question, and the bond counsel I talked to today said he is worried that if you restrict it only to low, how that would work. He's going to be doing some more research on it. I think the better approach to this is that low and moderate or modest income folks may not be in the loop on this, or they don't think they can afford solar, for example. So my thing is like prioritize outreach to them so they know about it. We make it available to everyone, and I think that's the safer bet. But I think the bigger danger here, is that this money is going to go back to the feds because no one is using it. I would like to see this money deployed in Santa Fe. One of the hardest parts of my job is when somebody makes \$100 more than an income limit, and I'm saying, I'm sorry you don't qualify. And it's the classic thing of I make too little money to it on my own and I make too much money to get any help. Having that flexibility to help people like that is, I think, very important. And the other thing is spreads the good word because more people are getting helped and they encourage other to apply. If we take this from the perspective of abundance, and if we're successful at this, we'll continue to do more and more, and our job is to go raise more money to do it. I think that's the direction we should go, and this should be an ongoing thing that makes Santa Fe more energy efficient and more solar friendly.

Mr. Loftin continued, "And we're committed to go beat the bushes to find those resources to keep this going. And I think we should try to hit this out of the park. And that includes, you know, there are going to be people who... you could be a Police Officer and a teacher, and you would be making more than 80% of the median income, which is a HUD cut-off for low and moderate income. I think we still want to help those people."

- ◆ Councilor Harris said he understand what Mr. Loftin is saying, and he would agree with it, but we have to maintain compliance. And when Mr. Schiavo responded, he was using an example of \$2-\$3 million as he recalls. He said if it's too tightly structured or focused, there is a real question about being able to put the money in service. He said, "What I'm really focused on, I think is what you're saying Mr. Loftin, is putting the money service. And particularly with the nature of these bonds, it's about energy efficiency, saving the overall footprint in terms of energy consumption and cost. But it's also about putting the money in service and creating jobs."

Mr. Loftin said, "And the other point I would add to that is if we put all the money in service, and do it quickly, the chances of raising more money go way up. If we don't deploy it, and end up not using it all in the timeline, the chances of raising money are severely reduced. So I think if I can... this isn't the only potential source of money out there, there's the Community Reinvestment Act money and we've already used some of that for energy conservation..."

- ◆ Councilor Harris said he understands that, and that was part of the whole CAPER document, 140 pages, where he thought he was seeing a pattern that the money wasn't going into service. He said he will drop by and sort that out. He said, "But that's really what I've been trying to say when it comes to this money."

Mr. Loftin said Councilor Villarreal's concern is that we make sure we serve low income people, and those who may not know about this, and make sure we serve those people too. He said, "We are committed and we're going to serve those people, and we're going to do a special outreach there, because they're the ones that may not hear about it. So it's an important thing to emphasize and I think we want to serve the entire committee."

- ◆ Chair Dominguez asked if that includes providing literature bilingually.

Mr. Loftin said yes.

- ◆ Chair Dominguez said he is glad to hear Mr. Loftin say that part of this is prioritized marketing, and thinks that is what we were wanting to hear, and understand we weren't going to limit it, but have a sense of priority in how it is marketed. One of the other things we wanted Mr. Loftin to do was to have him collect data, and to make sure we can take a look at that data after the monies or spent. He asked Mr. Loftin if he has issues with that, and it's not a violation of the agreement.

Mr. Loftin said where there are privacy issues, they can't disclose names or addresses. He said they can disclose census tracts where it's located, or neighborhoods, or a loan number so you don't know who the person. He said they have to be very careful about anything that can identify the particular borrower, because of privacy law. However, in terms of providing data on the average savings, what improvements were made, they track that now, commenting they are very good at tracking dat. He said they will want to share that with you, because he thinks it would be good news.

- ◆ Chair Dominguez asked if that would be information about the home value. He asked how we determine that a certain percentage of money is being spent on homes in a certain range.

Mr. Loftin said they would know the estimated home value, income of borrower, what kind of improvement was made, and for solar we know the projected savings. He said if we get the homeowner to sign permission for us to look at their energy bills, then we can compare the previous year to this year in savings. He said PNM has been pretty cooperative on the electricity, but the gas company has no. He said they want this kind of data because it is argument of why we should keep doing more and more of this.

- ◆ Chair Dominguez said he thinks Homewise has a good relationship with the City, and doesn't think we have to mandate the collection of data in the bill. He asked how we want to make sure staff is given the direction they need to get that data.

Mr. Schiavo said Homewise did provide that information in the previous program – the project, location, the cost – on a quarterly basis. He said for these bonds they are required to do a semi-annual report, and imagines that all has to be rolled up "in there."

- ◆ Chair Dominguez said then you are comfortable with that, and think it will provide the necessary data, and Mr. Schiavo nodded yes.

- ◆ Councilor Harris said the Governing Body approved a Resolution authorizing the submission of an application for project approval to the New Mexico State Board of Finance for an allocation of the bonds for use in expansion of energy efficiency loan programs. He said this basically is a Resolution requesting authorization issuance of the bonds.

Mr. Rodriguez said that is correct, in anticipation of approval. He said it would have been better if both items had come together.

**MOTION:** Councilor Harris moved, seconded by Councilor Villarreal, to approve this request.

**DISCUSSION:** Councilor Villarreal said she was happy to have Mr. Loftin here to explain this, because it wasn't so much about saying low income folks would be the only people we would accept for this particular opportunity, but it was really looking at what you said, a prioritized outreach by Homewise to those folks. And our language is flexible that we added which provided if there was more demand than funding, that we would prioritize low income households. She said, "If you do the outreach and there are people that want to take advantage of this, I think we should go for it. So thank you for being here Mike and explaining that to us."

Councilor Harris said he appreciates the fact that Mr. Loftin is setting a high bar at \$5 million, commenting that is an aggressive standard to his way of thinking, and that should cover a lot of households. He thanked Mr. Loftin.

Chair Dominguez said there really was no need for Mr. Loftin to attend the Council meeting because it was just a request to publish, but there was good discussion that was needed.

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

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Chair Dominguez said he would like to postpone Items #25 and 26 to the next meeting.

Councilor Villarreal said there are some important pieces to this, in terms of the audits that have a considerable number of findings, and asked what we are going to do about that, and if the Finance Committee has to take action on what we need to be doing.

Chair Dominguez said it is a timing issue and we need to get the findings resolved sooner than later.

Mr. Rodriguez said, "Sure. Any findings need to be resolved immediately. But I think the question might very well be is if you want to have a fuller discussion of this, this discussion very well could be taken very well into the night. I asked Ms. Kerr what the effect would be if we pushed it to the next Finance Committee meeting and we think we can do that without having a big impact on what needs to take place. that way you can have a much fuller conversation about this, and put this earlier on the Agenda. So glad to wait until later this evening to discuss this, but you also can push this off and then perhaps take more quality time to talk about it later."

Chair Dominguez said he has no problem in hearing it all tonight, he just wants to be respectful of staff.

Councilor Harris said he thought the Chair was "taking the temperature of the Committee," and he was responding that. He said he has no questions on #26, and not many on #25. He said, "I will do whatever people want to do."

Councilor Ives said he would like to see the Audit Reports that resulted in a multitude of findings, because it's hard for him without understanding the specifics to formulate too many cogent questions. He doesn't mind postponing it, or even moving it forward as long as he can get the reports, and he will look through them and be ready when this moves forward to the next Committee or the Council.

**MOTION:** Councilor Ives moved, seconded by Chair Dominguez, to reconsider the previous approval of the Agenda as amended, to postpone Items #25 and #26 to the next meeting of the Committee, as the first two items under Discussion, and to approve the Amended Agenda as further amended.

**DISCUSSION:** Councilor Harris said if we're going to postpone, he would ask Councilor Ives if he is requesting more specific information on the audits to be able to be well informed for the discussion.

Councilor Ives said yes, for those for which he hasn't seen the specifics.

Councilor Harris said he attended the Audit Committee for the first time today, noting Councilor Villarreal was there as well. He said the Lodgers' Tax in many ways was the hot topic of the day. He thinks we need to be specific with Ms. Kerr about what information she needs to provide us for her to be able to do it right, and he would say that Lodgers' Tax should be on that list.

Ms. Kerr said Lodgers' Tax will be presented at the next Finance Committee meeting, so for that reason, it might be good to postpone. She said she can send a report to the Committee that has all the findings listed, noting she keeps all findings in the data base, and she can print those out and provide as much detail as you want regarding the findings. Any finding listed in that report has the full history, where it comes from, the recommendation and such, and Councilor Ives said that would be great.

Mr. Rodriguez said it also will have staff's most recent answer to the auditor's questions about "what are you doing about this."

Responding to a question from Ms. Kerr, Chair Dominguez asked her to make sure that information is part of the packet for the public as well, and Ms. Kerr said she will do so.

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

Councilor Ives said, "Liza, the only thing I would ask is I would prefer not to wait until the next packet to get the requested information."

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**24. REQUEST FOR APPROVAL OF A RESOLUTION INITIATING THE PROCESS OF STRATEGIC PLANNING WITH THE INTENTION OF ALIGNING THE CITY'S PRIORITIES IN ALLOCATING ITS LIMITED RESOURCES WITH THE PRIORITIES OF CITIZENS; ESTABLISHING A PROGRAM AND SERVICE INVENTORY, AND PERFORMANCE MEASUREMENTS; AND CONSOLIDATING EFFORTS TO MAINTAIN A BALANCED BUDGET AND CREATE A PRIORITY BASE BUDGET IN FUTURE YEARS (COUNCILOR DOMINGUEZ). (OSCAR RODRIGUEZ AND ADAM JOHNSON) Committee Review: Public Works Committee (no recommendation) 07/25/16; Public Utilities Committee (no recommendation) 08/03/16; Public Works Committee (scheduled) 08/29/16; and City Council (scheduled) 08/31/16. Fiscal Impact – Yes. \$25,000 for Other Operating Costs (Software).**

A copy of a Substitute Resolution is incorporated herewith to these minutes as Exhibit "1."

Adam Johnson, Budget Officer, said he has no opening remarks, but perhaps Mr. Rodriguez has remarks.

Mr. Rodriguez gave a brief overview of how we came to this place, commenting that he is providing the proposed budget calendar for discussion, noting a large part of the budget process starts to launch in the next 45-60 days, with Council direction already guiding us. He said the process is moving forward, time is passing, decisions have to be made and to the extent possible that you give staff strategic direction, reiterating that we do have to move forward with some of these things. He said municipalities with good strategic plans didn't get there in 1-2-3 years, it is an iterative process, and we will build on success and over time, we will get better and better. He said eventually, Santa Fe can be one of the many cities known for its strategic planning, commenting we need to take a strong step in that direction the first year and over time we will have a strategic plan and an organization aligned behind it.

Chair Dominguez said he asked Mr. Rodriguez to talk about the calendar because timing is very important, and the City Manager will be distributing the templates beginning in September.

Mr. Johnson said the next step in the process is to develop a program inventory and the first steps in giving tools to creating performance measures based on quantity, quality and outcome. He said they would like, for the first time, to give the departments the opportunity also to look at how they are defining their deliverable, the scope of work, the proposed program deliverables for next year in advance – to take a hard look at what they are offering to do in exchange for the valuable resources the taxpayers, visitors

and others of Santa Fe graciously give us. The idea is that we would be running a parallel process with the Council working on its strategic plan, and at mid-year the proposals would get their first view from the Council with the idea of information and feedback. This would provide an opportunity for everyone, including the public, has an opportunity to see next year's proposals and performance measure, give critical feedback. The staff will then go back and have two months to further define those, and then come back with their final budget proposal. He said they want to extend the format to describe per program/service what they propose to do.

Mr. Johnson continued, saying during the consideration of the initial draft budget, it is anticipated there will be some discussion of financial information, but he is talking more about programmatic deliverables and not necessarily about the financial portion. He said following the winter break, they would then dive into the actual financial side of the budget preparation and go through that portion. And finally combine the proposals and the financial information into one document to be submitted to the City Manager who would make his decision by March 15, 2017, as mandated by new financial policy, so this Committee will have its first crack at next years Operating Capital Budget in March.

Mr. Rodriguez said at the beginning we start with strategic direction from the Governing Body in terms of priorities, and direction. He said the process is then much better informed for staff to do its work in terms of developing the budget.

Chair Dominguez asked Mr. Rodriguez to talk about attrition.

Mr. Rodriguez said earlier today, as requested, a draft of the Attrition Report was sent via email to the members of the Committee. He said staff thinks they can achieve the cuts, and the specifics will be discussed in the discussion about strategic planning. He said the Attrition Report will be added to the monthly Financial Report and will provide how that looks month-to-month. He said if we do nothing at all, that we are on target to achieve the \$4.8 million. He said a lot of that is being achieved by vacancies in the Police Department. He said if Police is your priority, we will look at ways to achieve that – to put the attrition more on other departments and not so much from police. He said the targets are not included in the Report by department aren't included. He said they think they can achieve the \$4.8 million, noting the lion's share will come from the Police budget.

Mr. Johnson said the \$774,000 referenced by Mr. Rodriguez in the report, is already achieved for positions that were deleted going into the current fiscal year. He said Mr. Rodriguez is correct that if you look at the vacancies through the end of July there are a significant number in Police and Fire. He said the point is that holding the vacancies open does not concrete the savings, but shows a snapshot of what makes up that credit.

Chair Dominguez thanked staff for the history, noting we have been talking about strategic planning since 2006. He said decisions have been made and attrition is a huge component of balancing this year's budget, and gets us to a discussion of how to balance future budgets. He said attrition provided us with flexibility. There is a target of \$4.8. He said it was determined that the attrition concept was not sustainable and would work for this year, and if we don't have a strategic plan or give specific direction on how to do it, it becomes a much bigger dilemma in future years.

Chair Dominguez continued, saying Councilor Ives and Councilor Villarreal have seen some of this already, and he wants to talk about some of the things that have been talked about. One question was how budget guidelines fit into the whole discussion, as well as the master plan and participatory budgeting. He wants transparency in whatever we decide to do. He said near and dear to him is that we promote equity and social justice. He said there is an amendment from Councilor Ives, and a substitute bill from Councilor Maestas for Committee consideration.

Chair Dominguez continued saying that strategic planning is not just to get us to a budget, but it is also about changing behaviors internally [attrition plan] and externally the expectations of City government. He said Parking is an issue, and we've had input that people think it is too expensive. He said Parks and management of the medians have been discussed in the newspaper. He said, "I can tell you after tonight's discussion we'll start getting calls from other employees wanting raises as well."

Chair Dominguez continued saying we're talking about setting priorities, the community priorities, as representatives of the community, and giving staff the direction they need to be able to provide a budget that reflects those priorities, with \$4.8 million in attrition. He said timing is important and we need to begin to establish priorities, and transitioning to a new way of government. He said we can't do the things we've done in the past, and we can't balance the budget for future years the way we did this fiscal year. He said we need to give clear direction to City staff.

*The Committee commented and asked questions as follows:*

- ★ Councilor Harris commented that the Chair gave a concise description of where the Chair sees this going, and Councilor Harris said he will participate enthusiastically in that. He said he was concerned with Mr. Rodriguez's communication where he attached the Strategic Planning Initiatives and Basic Services Support from 06/07. He said there is a lot of soft language throughout. He said soft language is something we do very well throughout Santa Fe. However, what we don't well is setting priorities, making them concrete at the departmental level, measuring that and in just the implementation. He said, "So, if that's what this is about, and I heard Chair Dominguez say that, and that's great. When I look at your transmittal from 06/07 or what you just transmitted recently, I thought, this isn't going to work, is what I thought when I read that document."
- ★ Councilor Harris continued, "I know we're just getting started. I still don't know exactly the framework, but I'm ready to participate, and I think it's an important effort."
- ★ Chair Dominguez said that is an important point, because that's what we're here to do – start to flesh out the framework and start to get it established. He said it is one of the primary roles of the Finance Committee, with conversations from the other Committees as well, so that's a good point.
- ★ Councilor Ives said the Governing Body passed a measure in 2015 which was captioned, "*Adopting best practices and standards to help guide the management of the City's finances and for assisting the Governing Body and City staff in evaluating current activities and future plans.*" He said he is beginning to see areas where there is not insignificant potential overlap, and would

like to have that document as we pursue these documents. He said that document talked about the presentation of a preliminary budget in late January/very early February. It talked about assessing our programmatic efforts, and a host of things as well as including the submission of a 5-year projected revenue plan by the Finance Department by October. He said he hates having the sense that we've done something before that we're looking at now, and he never knows whether what we're doing now is going to change what we did then. Or whether or not any change is required.

- ★ Councilor Ives continued, saying he is struggling to understand exactly where we are in redefining this process based on that, commenting that he doesn't have the final copy of what was adopted, but rather a draft that was considered at the November 15, 2015 meeting.
- ★ Chair Dominguez asked if he is speaking of the budget guidelines.
- ★ Councilor Ives said yes, it is adopting the best practices and standards to help guide the management of the City's finance, etc.

Mr. Rodriguez said that document was the first chapter in the budget book, so we did use that to develop the budget. He said the Resolution didn't specify priorities or performance measures or indicators we would follow. It did provide that at some point there would be some priorities, and that is where we are right now – trying to establish those policy priorities. He reiterated that, "If nothing is done and no strategic priorities are directed, the staff will then proceed in a very technical fashion to present the programs and our best guess for targets and performance indicators for each program. However, we will be shooting in the dark without direction from the Committee.

- ★ Chair Dominguez thinks that is important, noting a number of Councilors place items for us to take action on, that in a way are being articulated as their priorities, but the reality is to reach those priorities we will have to cut elsewhere. He said, as Councilor Harris pointed out, in the past we have never done that, and have kicked the can down the road. He said we have done that a little bit, but we have a framework, target, and numbers, but we haven't had a good, wholehearted, controversial, enriched, passionate discussion about priorities, because we want to be everything to everybody, especially if we're running for reelection or whatever else.
- ★ Councilor Ives said in the measure he introduced at about the same time, he discussed a number of budgetary priorities which were eliminated from the measure that was adopted. He said this document does touch on best practices, but that's something we've already adopted.

Mr. Rodriguez said he thinks we are talking about two different things. He said there was a resolution that was passed separately from the best practices and policies along the lines of what Councilor Ives is describing. He recalls Councilor Ives was one of the sponsors and significant editing took out the specific indicators. And what was passed was a direction to come up with performance measures. He said he will find and circulate that Resolution to the Committee tomorrow. It also said that the Council would set priorities and align behind those. He said all of

the work on indicators was turned into one Whereas saying there will be priorities and alignment of those. He said then separately, there were the financial management policies.

- ★ Councilor Ives said the exercise in which we are engaging does have some overlap, and it is important to have that so people understand contextually what the discussions have been and what we have decided already. There is a request to bring forth a preliminary budget at the end of January, and to have a projection of revenues by the end of October for a 5-year period – the initial steps geared toward the long range planning toward creating the strategic plan. He said he is in favor of moving forward with programmatic review which is the logical extension of what he thinks is in the earlier measure in terms of greater specifics. He is more than happy to start the discussion of what some of the broad goals we should have.

Mr. Rodriguez said the policy ultimately approved set a deadline for the submission of the budget as March 15, which is almost a month before we normally would get it. He said even if we get the preliminary budget on March 15, the departments will have needed 1 to 1½ months to submit budgets and get them through the internal review process, which puts that into January. He said the last two years staff has come to the Committee with basic assumptions in January, and by policy that was pushed back to the 5-year look in October. He said if we provide that 5-year look in October and preliminary views of how programs will be inventoried and measured, that gives a few weeks for you to pronounce your priorities.

- ★ Councilor Ives said in looking at the Action Sheet from the Finance Committee in November 2015, it did say *'it will also advance the annual budget calendar with the first draft being presented in January,'* instead of the usual March/April timeframe. He said perhaps that was changed again to a later date, but he does not recall that and thought it was January, so having the information would be helpful.

Mr. Johnson said many of the measures that Councilor Ives speaks about, are built into the financial policies adopted by Resolution. He said he will make sure everyone gets copies tomorrow. He said the budget will be available, will be delivered to the City Manager by March 15. He said those policies provide that this year for the first time, you will receive a 5-year revenue and expenditure forecast in October, and that also is in the plan. He said the Resolution also provides that in next year's budget there will be performance measures which is part of "what sends finance and budget on these marching orders, looking at us straight in the face and not necessarily at all the departments straight in the face," is what is needed to inform the next budget cycle which generally was the piece lacking in the last budget cycle. He said that is happening and moving forward.

Mr. Johnson continued, saying that is the most up to date information he has about what we are supposed to deliver in terms of best practices that have been passed through different efforts by yourself and the other Councilors in getting them passed. He said, that said, what he would like to add, is to try to take the view up a little further, and say that action of passing those best practices and the Resolution. And getting those policies into our budget document is an example of the Finance Department and the City aligning with other priorities that say you would define it as

transparent and efficient operations. He said then you would task, perhaps, other departments to come up with how they are proposing programs which align with that priority. He said another example is we know that sustainability is an important value and effort of this Council. He said documents have already been created that could be used to build on the momentum to get departments to align with those priorities. He said there are many places where the information exists, but it is in silos. He said they are trying to create an environment where it can come out align with the priorities that would be developed by this body.

- ★ Councilor Ives said he is clear on the principle. He said guiding principles are enunciated in the policy guidance document, which uses descriptive words such as equitable, fully participatory, economic growth, sustainable and stable. All of which are an outline for a strategic plan.

Mr. Johnson said, "I completely agree."

- ★ Chair Dominguez said he also agrees, and those are ways to help develop the mission statement and vision. He said, but to bring us down to earth a bit, we have to be at the next level. He said we can't do a budget first and then have the strategic plan. He said the strategic plan is intended to inform the budget. He feels we are almost there, but we're not quite clear about what strategic planning is and how it fits with our budgetary process. He said we're here to keep the dialogue going and make it happen.

- ★ Councilor Villarreal said she is having a hard time just trying to figure out how staff envisions a strategic plan and how it differs from the General Plan and updating the General Plan. She said when you look at the General Plan it is looking at how we prioritize, not just land use issues, but new growth, economic diversity, transportation, quality of life, affordable housing and so forth. She said there are pieces to the strategic plan as well. She said she is confused as to what is the different process between the two. She said, "I feel like they are connected, so why do we see them as separate, at least Brian alluded to them as being separate processes, and I actually don't. So can you share some insight on that."

Mr. Rodriguez said eventually, if we keep going down this road and we get better and better at strategic planning, etc., those will be one and the same, and it will be the same process – the same process to measure, the same process to evaluate, it will all be together. He said at this stage, yes, it does seem there are two different processes when we talk about budget. It does seem that the organization typically will not consider the urban planning as part of that process.

Mr. Rodriguez continued, saying he said he would recommend to the Committee, as someone who has been in this for some time, that you are doing a really good job and the two are the same, and definitely are aligned. He said he would urge the Committee to try to reach that some day, but currently that is not the case. He said he thinks for the Committee to do it well, and in orderly fashion, you should plan out how you will merge the General Plan, the 20 year vision, what you do everyday and year with the budget, etc.

Mr. Rodriguez continued, "Right now, look at it from our standpoint. The reason I passed out the 2002 plan, and not to recommend that should be the plan, or anything like that, but rather as a marker of how far this organization has gone toward planning with what seems like 10 priorities, very general. And those are our marching orders, very general, so basically, anything we go forward with a very technical bent and we could never possibly answer the question, well why did you do this and not something else. And that is because, at this point, we don't have those marching orders, so it's not so clear to us yet – what is the highest priority, what matters the most."

- ★ Councilor Villarreal asked, "Are you seeing the General Plan as something long term with a larger bandwidth of time versus a strategic plan which would be a yearly thing, or are we talking about 3 years. Is that how you're separating them, because I actually see that they are one and the same."

Mr. Rodriguez reiterated that eventually, in the long term, when we get really good, he would say that they are not separate, that they are one and the same. "And the strategic plan, if you will, has informed everything you do in urban planning and financial management, and everything you do as you look 20 years down the road, or when you are down the road with the annual budget, so it should be one and the same ultimately."

- ★ Councilor Villarreal said, "But, again, the strategic plan, are you thinking of this as an annual exercise or is it going to be a timeframe that we say oh this is 3 years or 5 years because it is kind of in alignment with CIP, I guess."

Mr. Rodriguez said, "Our vision is that at least annually, you would review progress toward your range plan, toward your 20 year plan, or however far you want to put your horizon. You want to see, of all of the things you have done to whatever point you mark, are we getting there, or are we divergent from our goals. And so I would recommend to you that it would be at least an annual process, and certainly the budget is a very convenient platform to review everything you are doing. And maybe over the course of years you start to say, well maybe these programs clearly are not working, let's do other programs, etc. Your strategic planning process, I guess, is an all-encompassing thing, but we would recommend that you look at it annually."

- ★ Councilor Villarreal said, "Yes, I kind of see them being the same thing, and that's why I don't want, historically, to just forget the general plan and say we'll get there, we'll get there. I feel like we really need to dig into that, and if you look at the first one, we haven't done it since 1999, and these are the same issues we are grappling with, that have everything to do with our daily and our annual budget. So I guess I'm trying to figure out, since we, as a Council, are only part time. I wish we were full time, because then we can dig in, I think, in a very intentional way about how we do budgeting, how we look at strategic planning. And I feel like this part time status doesn't really get us into where we need to go. And we're asked to be able to weigh-in. Well to weigh-in, I want to hear from the public, how do we actually get a really robust public outreach. It takes time. So that's why I'm like how do we do that. With the limited timeframe we're working with to get the budget done, it's always like what comes first and I'm having a hard time with that."

Mr. Rodriguez said, "The way you do that, if we look at the experience of other cities, you do that over time. The likelihood of success, the chances of success would be very very low for you to, in one sitting, one massive effort, get it all right and line everything up. I would say that has a low probability of success. And cities like Bellevue, Washington, etc., they do a really good job here. They did not get there in one year, two years or three years, they got there over time. So I would then recommend to you that you look at that as a continuously improving process over time. And maybe one of the goals along the way would be that you marry the effort to update the General Plan to your annual action plans, etc., and not tear down completely to come up with one big, comprehensive plan. He said cities that do strategic planning well are cities where the councilors are not full time. And the way they got there were little steps at a time, but continually, continually pushing in that direction."

- ★ Councilor Harris said this is a good discussion and helpful to him. He said part of what he was thinking during the discussion.... and he went back to the 4-5 months before the election. He had made the commitment to run for City Council, and started to think more about it, and got the budget applicable to that fiscal year. He read the newspaper. He said one of the defining discussion points was having to do with the Water Fund and the money being drawn down to support the General Fund, and various practice. It wasn't apparent in the press, but as you started to dig more and you heard the Stormwater Fee wasn't being used for that specific purpose. He said he then started to talk to people and put it in writing, and he came to completely discount the notion of fraud, malfeasance and things like that. What he felt he was seeing was a certain inefficiency and lack of discipline, a lack of fiscal discipline.
- ★ Councilor Harris continued, saying this budget, and the process that led to the current budget reflects a higher level of discipline than was in place before. He said one of the real outcomes over the years as this was refined was a strategic plan and setting priorities and taking the performance measurements, whatever those turn out to be, which should instill a much higher level of fiscal discipline than the City has been able to achieve in the past. He asked, "So is that part of what you would see, Mr. Johnson."

Mr. Johnson asked if the question is whether or not the recovery from those bad practices is now built into our strategic plan.

- ★ Councilor Harris said, "No. Just the fact that... going through the strategic plan, doing the process we're talking about, however it is defined, where we are setting priorities and we're measuring, that in itself, will start to instill a higher level of discipline than the City has been able to achieve in the past. And particularly, with the understanding that this is not a one-shot affair. That's really what I think. Whatever those priorities may be and whatever the metrics may be, but just the fact that we're going through that and really making, hopefully, some clear and specific decisions that will, as you say, inform not only the Finance Department, but inform all the departments throughout the City. Is that a fair statement."

Mr. Johnson said, "I would concur that this is not a means to an end. The process itself brings an incredible amount of value to the organization. And to Mr. Rodriguez's point, it's ongoing and it's continual improvement. So yes, I think it will add further discipline to what the organization delivers across all programs and services. But it's important to remember that it's not just about getting to some finish line. Right. Because as we continue to get better, as we've already seen, we've already gotten a lot better, and we're looking for further ways to improve, and that will happen."

- ★ Councilor Harris said another example is the CIP – an example that still has a long way to go, but certainly is headed in the right direction.

Mr. Rodriguez said he has been here 1½ years, and has been in other organizations and other places, and said "I can tell you from that perspective, that the City of Santa Fe has well enough resources to handle its priorities, perhaps above average, more so than the average city out there. So you can take care of all of your priorities, but like every other city in the world, you don't have enough resources to spend it on everything that comes across the radar. There are limits. So to the extent you can establish those priorities, I think you will find all the resources necessary to address those adequately, well above average of other cities. So yes, to the extent that there are priorities, we can hit all of those targets very well."

- ★ Councilor Harris said there is a specific group of people on the Governing Body and at the departmental level, and if in fact this becomes institutionalized it will live beyond a certain chairman's tenure as well as the remainder of the Governing Body.

Mr. Johnson said, "I just want to touch on Councilor Villarreal's comment and concern about the General Plan, and excuse my ignorance to the planning process and everything you know about the Planning Commission. But to your concern, I think it's very valid, but it's also an opportunity because I think that what comes from the Strategic Plan will be the launch to the General Plan process. To me, the General Plan is a very broad, extremely technical plan to be developed that would be a very critical guiding document moving forward. But, I think by achieving the strategic plan now, you would then have the consistent and cohesive priorities to apply to that more technical plan that you'll get into, and you won't have to spend valuable time and resources then getting through what you already have gotten through. And so, if we say, for example we say we were able to achieve the first iteration of the Strategic Plan, that could be part of a living piece to the next General Plan and put that in as a priority for next year's budget, because it wasn't currently budgeted for this cycle."

- ★ Councilor Villarreal said, "I see where you're going with that, but when you actually look at the General Plan it's a lot more general than technical. It has these points that we are saying we think should be prioritized, but not worth going into detail as to how to achieve it. I see where you're going, but now, I'm wondering what... I see where a Strategic Plan fits in, but when you look at the General Plan there's a lot of things it says we should do, but it doesn't say how to achieve them."

- ★ Chair Dominguez said that is where the rubber hits the road. He said he had the same question she had, and they discussed it earlier. He said one could be of the opinion that if you just update your General Plan, because it's broad and general, a General Plan, that it would be able to give us that direction. But two things. The General Plan doesn't speak to things like attrition, and we want to make sure applicants are in and working within a week. He said his question would be what are some of the things the General Plan mandates that we aren't able to achieve because we do not have a strategic plan in establishing those priorities. He said the Master Plan really speak to some of the details Finance has to deal with such as attrition, and do we hire 10 pool lifeguards, versus 12 lifeguards, or should the standard be what the State mandates or do we go above that.
- ★ Councilor Villarreal said, "That's what hard about this process, because I actually see we need an internal strategic plan. And then there is this other kind of external that the general public understands. Because if you got into the details of what a department has to deal with to function on a daily basis, the general public doesn't understand it, because they're not in it day to day. But we need to know the processes internally so we can be more efficient, spend our money more wisely so that our priorities fit with our budget constraints/framework. Again, I'm seeing another two processes going in with the internal things we need to do, the departments [inaudible] and this external part that the public will actually understand, because I guarantee there's a disconnect there, and it's hard to explain to people why we make decisions that are very simplified by the newspaper. And too, it's complex, the way we actually manage our money probably in any municipality and even moreso in Santa Fe because we have all these individual funds that are unique to Santa Fe. So, I don't have a solution, but I would love for you to [inaudible] how we do that strategic planning because I see an internal and external process that may or not be going simultaneously. I don't know."

Mr. Johnson said, "Specifically on that point, the program inventory and performance measures actually will capture both the public facing department and the internal departments that service the public-facing department. For example, the Office of Budget has programs and provides specific services to the departments, we do budget adjustments. We create a budget, we do education. So I can answer the question about how many of those we do, how well we do it, and what is the outcome of that. And you can measure how well the internal services, H.R., can easily go through a similar process. We'll have further training wheels to take off when we actually learn how to track that data accurately and regurgitate it objectively, but we absolutely intend, and it's very clear, that the customer of Finance is the Department. The customer of Public Works is the public, of course they are a customer too, but my phone rings with the departments calling me or sometimes you guys. And that's who I spend the majority of my time working with. So it will capture that, and that will be a very interesting part of the process."

- ★ Councilor Harris said he is thinking exactly the same way as Councilor Villarreal expressed herself, in terms of external and internal. He said the external is our statement to the populace at large, and applies, more often than not, to the built environment. He said it is also a strategic/tactical

plan because it goes much further in terms of definition and discipline as to how you realize those priorities whatever they may be. He thinks this is largely an internal process. He said, "And I think you're absolutely right. Yes, they are connected along the way, but there are two different purposes almost. And that's all I had."

- ★ Councilor Ives said he is ready to start the strategic planning process, and hopes we don't wait until October 2017 to actually make recommendations, commenting that is too slow.
- ★ Chair Dominguez said we have started. He said specific to the item on the table, he promised the other Committees a second pass at this bill. He wanted to have the discussion here at finance so we could make a recommendation from the Committee that we continue the discussion, and somehow staff is able to report our discussion tonight to the other Committees. He thinks one thing that can come from it is the internal/external conversation. He said his hope is by the meeting after next, we will be able to give some specific direction on how to proceed – establishing priority, or a requesting strategic planning facilitation, or that we have a study session. He said the point is that we can't continue to just have dialogue about it, and at some point, we are going to have to make some tough decisions.
- ★ Chair Dominguez asked Mr. Rodriguez and Mr. Johnson, based on the calendar, if we have the time to have one more round of dialogue at Committee. He asked his colleagues to help him to articulate what we're talking about here at Finance at those Committee meetings.

Mr. Rodriguez said, "Councilor, we have whatever time it takes for you to do this. We are happy to work however you guys decide to go, but time is moving on, and we've got the departments going online to submit this information, for us to train them and do some quality control there. So when January comes around, you actually will have the information or something. And so if you do it a month from now, two months from now, we will work with that. It's just that the earlier you do it, the easier it is on everybody else."

- ★ Councilor Ives said, given the reference to figuring out programs across the City and performance measures that were in the budget guidance document that was passed, that was the first section in the budget, it would seem staff already has been given some direction to engage in this process. So he would hope there is no reason to wait until we go through another iteration of trying to provide you information on how to conduct a process that I think you are much able and better enabled to conduct that we are. He said you have that charge, and he thinks you can proceed, hopefully.

Mr. Rodriguez said, "There will be indicators when the budget rolls around. Now are you going to be satisfied with those indicators. I think that is the question that is in your hands about when you give us that direction."

- ★ Councilor Ives said, "Hopefully, it is what we know so far. I think it would be helpful to circulate that document again. I would actually request you to circulate out the budget guidance document I submitted back in December of last year, because that actually did have at least some specific policy guidance recommendations. And I know that got eliminated during the Committee process as the budget guidance measure came forward, but quite frankly, I think it's still relevant. So I would love to have people see that as part of our discussions."

Mr. Johnson said, for clarification, the budget and financial policies in the operating budget are what was approved by this Governing Body, and he would be careful not to create confusion about other language which may conflict, "so I just want clarification on your request there."

- ★ Councilor Ives said he isn't trying to create confusion. The one measure was passed. So handing it out saying this was passed and is in place, I'm simply asking as a request to circulate the earlier document that he sent out as well.
- ★ Chair Dominguez said, "So basically, we'll get what was approved, and then we will get what was introduced. Will that work Councilor Ives."
- ★ Councilor Ives said yes.

Mr. Rodriguez said he thinks Councilor Ives was away and missed a meeting.

- ★ Councilor Harris noted the Governing Body meets on August 31, 2016, and there are a series of meetings this week between the City Manager and others with discrete groups of Councilors to talk about the strategic planning, and asked if this is correct, and Mr. Rodriguez said it is correct.
- ★ Councilor Harris continued, saying it seems to him people can begin now by taking the information we have, along with a couple of draft Resolutions, which both say essentially the same thing in different terms. He would think we should try to agree on a Resolution, as well as the next step to the Finance Department by the end of this month. He summarized the homework assignment – get the information we have requested, and get the answers from Mr. Rodriguez and Mr. Johnson to any other questions which may arise during these discrete sessions. He thinks we should go ahead and start "wading through it." He said he has a clear understand just on this discussion, and if he continues, by August 31<sup>st</sup>, he hopefully will have an informed opinion.
- ★ Chair Dominguez said the idea is to keep the dialogue going, "and that bill will die pretty much at Council, the one that is on the table, the Resolution."
- ★ Councilor Harris asked the reason the Resolution would die if it is moved forward without recommendation.
- ★ Chair Dominguez said, "Because it really doesn't define our strategic planning process."
- ★ Councilor Villarreal asked what does define that process.

- ★ Chair Dominguez said we need something on the table to have the discussion commenting there has been no direction or a piece of legislation introduced to make it happen, whatever that may be. He said, "I said from the very beginning when I introduced it, that it was intended to instigate discussion and make sure we have the discussion."
- ★ Councilor Ives said he believes it has done that, and we've been discussing it pretty regularly for the last two weeks. He said he shares the thought that, quite frankly, he sees no reason we can't get this before the Governing Body at the end of the month with a little hard work between now and then.
- ★ Chair Dominguez said we have a Governing Body on August 31, 2016, and he thought Councilor Harris just wanted to make sure we had more discussion at Finance by the end of the month.
- ★ Councilor Harris said, "No. I think we've had a good discussion. We have 2 draft Resolutions that I think say much the same thing and accomplish the same thing, no matter what they say. The important thing is to really start working on it, and we're going to be working it this week in small groups, then next week is an open week, in terms of Committee meetings. He thinks if we were to all follow up and try to move this forward by August 31<sup>st</sup>, the Governing Body would be able "to turn them loose, if that's the right word or phrase."

Mr. Johnson asked, for clarification, if that would provide the procedural opportunity to incorporate the two Resolutions together. He said he has seen the feedback we have received from both Councilor Maestas and Councilor Ives, and "I'm not sure that it's had an opportunity to be put into the Resolution, so I just want to see if that's what you want."

- ★ Chair Dominguez said, "What I was going to do was to propose amendments that would try to marry the two Resolutions. But we will be missing Public Utilities, so whichever members of the Governing Body that are on Public Utilities and no other Committees will miss out on some of this discussion."
- ★ Councilor Harris said it says Public Works meets on July 25<sup>th</sup>, Public Utilities on August 3<sup>rd</sup>, and then back to Public Works on August 29<sup>th</sup>.
- ★ Chair Dominguez said Councilor Maestas wanted to see it again at Public Utilities.
- ★ Chair Dominguez said he will talk to the Chair of Public Utilities and see if we can make sure there is some communication.

**MOTION:** Councilor Ives moved, seconded by Councilor Harris, to move forward the proposed Resolution without recommendation for additional consideration, with his proposed amendment.

**DISCUSSION:** Councilor Villarreal asked, for clarification, if this means the amendments and both Resolutions would move forward.

Chair Dominguez said, "It would be my bill with his amendments."

Councilor Villarreal asked what about "this one."

Chair Dominguez said, "The Substitute is a substitute. It has been introduced formally, so I'm more than happy to make sure to try to incorporate as much of that as I can into the Original. I think Councilor Harris is right. Much of it, I'm not too concerned about. It says a lot of the same things."

Councilor Villarreal said, "To me it, this is focused on the budget process that is supposed to be iterating the importance of it, whereas I don't really feel like it's what you were trying to do with the strategic planning language, so maybe it's two separate things, I don't know, but Joe is not here to talk about it."

Mr. Johnson said, "I think what I would suggest is... there is some value that was added. I think Councilor Maestas picked up on some of the other Councilors' desires, participatory budgeting and some other things, some value and acknowledging the support across the Council to get it in there. Much of it remains the same, much of it is semantics on how you describe.... so my suggestion is that we do it as efficiently as possible and try to follow Councilor Harris's recommendation that we get something complete for the Governing Body. And should there be final amendments, then so be it, but between the two we have your amendment, Councilor Ives. We've got, I think, by far the meat of what we would like to accomplish."

Councilor Villarreal said, "I want to see it before the Council Meeting, and I want to see it on the desk, the dais. It is too hard to try to amend something that's given to us a minute before the meeting. Thank you."

Chair Dominguez agreed, and asked how quickly staff can wordsmith the Resolution.

Mr. Johnson he can have that tomorrow. He said he and Mr. Guillen will work together to combine the two Resolutions and get it back to the Committee.

Chair Dominguez said, "And then let me review it just so I can know what gets distributed to the rest of the members."

Councilor Harris said he thinks it is a great idea, and one specific thing he liked in the Substitute Resolution was the mention of Hold Harmless. He thinks that is important point as a reminder. He thinks Mr. Johnson and Mr. Guillen are perfectly capable of coming up with a compromise draft Resolution for us to consider, and looks forward to that within the next two days.

Mr. Rodriguez said, "Just to set your expectations, there will be a lot more in the "Therefores."

Chair Dominguez said that's fine as long as they are factual.

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

**27. MATTERS FROM STAFF:**

**a) ANNUAL CITY-WIDE AUCTION DISPOSALS. (ROBERT RODARTE)**

Mr. Rodarte reviewed the information from his Memorandum of August 10, 2016, to the Finance Committee regarding Auction Information; State Price Agreement; 30-790-13-01044. Please see this Memorandum for specifics of this presentation.

Mr. Rodarte noted the Vehicle Forfeiture Program figures contain only the vehicles, and does not include any fees/fines/other related revenue collected.

*The Committee commented and asked questions as follows:*

- Councilor Ives asked what is being auctioned for Transit.

Mr. Rodarte said that is listed on packet page 5. He said Transit is allowed a certain number of vehicles based on statistics and the funding received. He said they are required to "get rid of something if they're going to bring something in," noting the Senior Program works the same way.

Mr. Rodarte said these buses are at the end of their useful life, in terms of the CNG related equipment. He said the Memorandum is an example of what departments submit, breaking out what is being disposed. He said each qualified capital asset item is assigned an Asset Number, and that's how they track the vehicles.

- Councilor Ives asked what was auctioned at the GCCC.

Mr. Rodarte said that was all of the old equipment.

- Councilor Ives asked what was auctioned from the Convention Center.

Mr. Rodarte said it was a lot of older equipment such as buffers.

- Councilor Ives asked about Parking.

Mr. Rodarte said there was one vehicle.

- Councilor Ives asked about Solid Waste.

Mr. Rodarte said they have several older CNG trucks and other items.

- Councilor Ives asked how the value is established for the auctioned items.

Mr. Rodarte said it is as is at the auction, and there are no set numbers. He said there are companies that buy all this, especially the wrecked police cars. That person pays \$300 per vehicle on opening bid and they go from there. He said there are Police cars with very low mileage, but there is nothing left of the body after an accident. He said they don't take a percentage of what we earn, but they charge the buyer.

- ☺ Councilor Ives said he would love to know about the auctions a week in advance, and see what is being sold so he can understand that.
- ☺ Councilor Harris said a constituent asked him about the auctioned Police cars, that still have the image, but no decals. He asked him why they don't just paint them, or require the vehicles to be painted. He asked if this issue has arisen previously.

Mr. Rodarte said it comes up all the time.

- ☺ Councilor Harris said it seems there should be some level of "cloaking" a former police automobile.

Mr. Rodarte said the old Crown Victoria Police cars are hot commodities for some of the taxi companies back east. However the biggest buyer is the movie industry, and they take them to Phoenix and redo them to use in filming.

Mr. Rodriguez said removing the decals and such would add to the cost of the asset, and in some cases would exceed the value of those assets.

Mr. Rodarte said they do remove the decals with what is called an "eraser," and it works sort of like a grinder without removing the paint. He said they are required to remove any and all decals the best we can do.

- ☺ Councilor Villarreal asked where the proceeds of the auction go.

Mr. Rodriguez said, "They go back to the fund that funded them. And then the Council says from that point."

- ☺ Councilor Villarreal asked about the library books.

Mr. Rodarte said it goes back to the General Fund. He said it is important to understand that if you purchase something from grant proceeds, like Senior Programs, the proceeds must go back to wherever the purchase originated. He said in the Capital Asset master file, it lists the original department or funding source. He said, for example, during the Transit Triennial review, the first thing they look at is where some of the proceeds went and that the guidelines were followed by Purchasing.

Mr. Rodriguez clarified this is not new or extra money, and these funds already are included in the budget and spoken for.

- ☉ Councilor Villarreal asked who buys the old vehicles from Transit.

Mr. Rodarte said there is really no market, but "I can say, that a lot of them go over the border." He said he has seen them in junkyards on SR #14, noting they get very little for old buses, especially CNG. He said \$2,000 basically just buys the back tires. He said they strip them down and get the best parts, noting they have had some of the engines rebuilt, and they were able to run them for 2-3 more years.

**b) PROPOSED FISCAL YEAR BUDGET PREPARATION CALENDAR. (ADAM JOHNSON)**

Mr. Rodriguez said he did not intend to discuss the calendar at this point in the process.

**25. PRESENTATION AND DISCUSSION OF INTERNAL AUDIT DEPARTMENT'S ANNUAL REPORT. (LIZA KERR)**

This item is postponed to the next meeting of the Finance Committee on September 6, 2016.

**26. PRESENTATION AND DISCUSSION OF SUMMARY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE. (LIZA KERR AND CITY MANAGEMENT HOTLINE REPRESENTATIVES)**

This item is postponed to the next meeting of the Finance Committee on September 6, 2016.

**29. MATTERS FROM THE COMMITTEE**

Councilor Harris said the background check Resolution he sponsored is going to Public Safety tomorrow. He spoke with Councilor Rivera about people participating. He felt, in terms of the Public Safety Committee, it would be appropriate and a good idea to have public discussion on that Resolution. He said it an open question as to whether there needs to be a public hearing at the Finance Committee on September 4<sup>th</sup>. He said it then goes to the Governing Body on September 14, 2016.

Chair Dominguez said he will discuss the possibility of a public hearing with staff.


Chair Dominguez thanked the Committee for the dialogue on strategic planning.

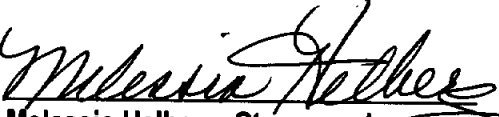
**30. ADJOURN**

There was no further business to come before the Committee, and the meeting was adjourned at approximately 8:30 p.m.

  
Carmichael A. Dominguez, Chair

Reviewed by:

  
Oscar S. Rodriguez, Finance Director  
Department of Finance

  
Melessia Helberg, Stenographer

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2016-\_\_

INTRODUCED BY:

Councilor Carmichael A. Dominguez

A RESOLUTION

INITIATING THE PROCESS ~~[OF STRATEGIC PLANNING WITH THE INTENTION OF ALIGNING THE CITIES PRIORITIES IN ALLOCATING ITS LIMITED RESOURCES WITH THE PRIORITIES OF CITIZENS; ESTABLISHING A PROGRAM AND SERVICE INVENTORY, AND PERFORMANCE MEASUREMENTS; AND CONSOLIDATING EFFORTS TO MAINTAIN]~~ TO ESTABLISH A BALANCED, PARTICIPATORY, AND TRANSPARENT BUDGET THAT IS [AND CREATE A] PRIORITY-BASED [BUDGET] AND FULLY INTEGRATED WITH RESULTS OF THE UPCOMING STRATEGIC PLANNING PROCESS[IN FUTURE YEARS].

WHEREAS, many financial practices have been allowed to persist since the 2008 recession and have led to the diminishment of the city government's financial condition; and

WHEREAS, the community has clearly indicated that a budget development process that is transparent and participatory is of paramount importance; and

WHEREAS, the Governing Body has recently adopted sound financial management guidelines to help correct the negative, cumulative effects of the past financial practices; and

Exhibit "1"

1           **WHEREAS, in [the] Fiscal Year 2017, the Governing Body has established the**  
2 **development of a strategic plan as a top policy priority and has appropriated necessary funds to**  
3 **develop this plan [budget allocates resources for strategic planning by the Governing Body]; and**

4           **WHEREAS, the Fiscal Year 2017 budget is balanced through the establishment of the**  
5 **Water Utility Enterprise as self-sufficient, the repeal and replacement of a ¼% gross receipts tax**  
6 **increment with full dedication to the general fund, and applying [using] the concept of attrition;**  
7 **which allows for a mindful approach to right sizing City government]; and**

8           **WHEREAS, to maintain the balanced budget through attrition, efficiency, and results;**  
9 **and permanently mitigating the impacts of the phased elimination of the hold harmless GRT**  
10 **payments from the State; priorities of the citizens of Santa Fe must be clearly understood; and**

11           **WHEREAS, understanding these priorities will give the Administration and Governing**  
12 **Body the ability to create goals aligned with priorities, and develop indicators which help the**  
13 **general public and city government [the organization] know whether real progress [~~toward stated~~**  
14 **goals] is being made; and**

15           **WHEREAS, if City staff know the priorities of the citizens, the goals of the Governing**  
16 **Body, and the indicators gauge [that tell us] our progress toward those goals, then meaningful**  
17 **[programmatic] changes and efficiencies can be instituted; and**

18           **WHEREAS, [~~programmatic~~] changes can only be accomplished once the City knows the**  
19 **inventory of all programs and services provided and their benefits and costs, as well as the major**  
20 **tasks that support the delivery to the citizens of Santa Fe; and**

21           **WHEREAS, the Finance Department is charged with providing a consistent**  
22 **methodology to all departments to develop performance measurements for all programs and**  
23 **services that define efficiency, quantity, quality, and outcome; and**

24           **WHEREAS, under a consistent framework, city government departments are directed to**  
25 **use their experience and expertise in their respective areas [field], as well as industry standards, to**

1 develop performance measurements that realistically measure [illustrate] progress towards  
2 appropriate goals [affecting the chosen indicators]; and

3 ~~[WHEREAS, implementing these steps will begin the transition to a Priority Based~~  
4 ~~Budgeting model for the City of Santa Fe.]~~

5 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
6 **CITY OF SANTA FE** that the Governing Body will begin the development of a priority-based  
7 budgeting model and fully integrate it with results of the upcoming strategic planning process  
8 ~~[strategic planning process to understand citizen priorities and develop goals and indicators;]~~ and  
9 provide guidance to staff by October [February], 2017.

10 **BE IT FURTHER RESOLVED** that the City Manager will collaborate with the  
11 Governing Body in a top down/bottom up approach, as necessary, to develop program and service  
12 inventories[y], and performance measurements [~~in a consistent manner~~], develop a priority-based  
13 budgeting model, and report [~~their~~] findings back to the Governing Body in February, 2017.

14 ~~[BE IT FURTHER RESOLVED that the City of Santa Fe will combine these efforts to~~  
15 ~~maintain the balanced Fiscal Year 2017 budget and create a Priority Based Budget in future~~  
16 ~~years.]~~

17 PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

18 \_\_\_\_\_  
19 \_\_\_\_\_  
20 JAVIER M. GONZALES, MAYOR

21 ATTEST:

22 \_\_\_\_\_  
23 \_\_\_\_\_  
24 YOLANDA Y. VIGIL, CITY CLERK  
25

1 APPROVED AS TO FORM:

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4 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/Strategic Planning*