



**CITY COUNCIL WORK SESSION/
FINANCE BOARD MEETING
MAY 21, 2012
CITY HALL COUNCIL CHAMBERS
405 N. PASEO DE OÑATE ESPAÑOLA, NM**

A. CALL TO ORDER

Mayor Lucero called the meeting to order at 6:01pm.

B. PLEDGE OF ALLEGIANCE

Mayor Pro-Tem Salazar led the Pledge of Allegiance.

C. MOMENT OF MEDITATION/ INVOCATION

Councilor Valdez led the Moment of Meditation/Invocation.

D. ROLL CALL/ DETERMINATION OF QUORUM

The following Governing Body members were in attendance:

Mayor:	Alice A. Lucero
Mayor Pro-Tem:	Dennis Tim Salazar
Councilors:	Pedro Valdez
	Peggy Sue Martinez
	Cecilia Lujan
	Cory J. Lewis
	Eric Radosevich

E. APPROVAL OF AGENDA

Motion by Councilor Lujan to approve the agenda; seconded by Councilor Lewis.

Motion carried 5-0.

F. PUBLIC COMMENTS

There were no members of the public wishing to comment.

G. COUNCILOR COMMENTS

Councilor Lujan commended the staff for keeping streets clean. She stated that she had seen the street sweeper and Community Service personnel picking up trash.

Councilor Martinez stated that the Community Clean-up had been an incredible experience. She mentioned that she had always contemplated being a part of it and was looking forward to the next event.

H. MATTERS FROM THE MAYOR

Mayor Lucero announced that the Summer Reading Program Kick-Off would be held at the Lucero Center Gym on Thursday morning. She requested that all councilors who wish to attend be there by 9:30am for a press conference. She added that both marquees would welcome governor Martinez.

Mayor Lucero read a letter from Councilor Greg Ortega stating that he would be resigning his position as City Councilor, District 2 due to a medical condition.

Councilor Radosevich entered at 6:08pm.

Mayor Lucero stated that she had met with Councilor Ortega the previous Friday and was sad to see him leave. She added that he had been a good and effective Councilor.

Mayor Lucero announced that the agenda for the following week's City Council Meeting would include an item to appoint a new City Councilor.

Councilor Lujan stated it saddened her that Councilor Ortega had stepped down and wished him the best.

I. REPORTS

Interim City Manager Joe Duran stated that his report would be given during the full City Council Meeting the following week.

J. ITEMS PROPOSED FOR COUNCIL CONSIDERATION/DISCUSSION ITEMS

1. Municipal Court Renovations –Change Order Approval

Public Works Director Marvin Martinez requested that Change Order #1 be approved. He explained that this was for the alarm system for the new Municipal Court facility and additional items had been included. He stated that the total change order would be for \$21,542.73.

Motion by Councilor Valdez to send the Municipal Court renovations change Order #1 to full council; seconded by Councilor Lewis.

Mayor Lucero pointed out that this amount would be taken from the contingency budget.

Motion carried 6-0.

2. Northern New Mexico Regional Arts Center Contract Renewal

Community Services Director Cata stated that the current Northern New Mexico Regional Arts Center contract would expire June 30th. He stated that no changes had been made compared to the previous year.

Mayor Lucero pointed out that Item 23 on the contract stated that funds would come from the Lodger's Tax budget. She stated that that fund had gone from \$84,000 to \$52,000. She stated that the Governing Body could approve this contract but may have to cut the budget.

Motion by Councilor Valdez to send to full council to approve contingent upon budget; seconded by Councilor Lewis.

Motion carried 6-0.

Mayor Lucero stated that the programs provided by NNMRAC were free of charge.

3. Approval of Veteran's Memorial Wall 90MM Cannon

Mr. Dave Piñeda and Mr. Robert Bustos presented a picture of the cannon and explained that they would like to it install near the Veteran's Memorial Wall at the Plaza.

Mayor Lucero explained that the cannon was at the National Guard armory in Santa Fe, but belongs to Española.

Mr. Piñeda stated that they were currently figuring out transport details as many of the board members involved with the original transfer had passed away.

Mr. Bustos stated he would like to bring the piece home.

Motion by Councilor Lujan to send to full council; seconded by Councilor Lewis and Councilor Radosevich.

Mayor Lucero offered to have City Staff assist with the installation and stated it would be a honor to bring it home.

Councilor Valdez specified that the location would have to agreed upon by the City to ensure the safety of the cannon.

Councilor Martinez thanked the Veterans in attendance for their efforts.

Mr. Piñeda explained that, from the military point of view, the cannon would keep watch as a living watch guard does at the Arlington National Cemetery.

Councilor Valdez stated that he would like to donate a plaque.

Mr. Piñeda announced that the Memorial Day Services would take place the following Monday at 11am and would be dedicated to Sgt. Pernell Herrera, along with fourteen (14) other individuals. Mr. Piñeda stated that he would like to see more of the public. He added that the honor guard would be there with a salute and taps.

Mr. Piñeda presented Mayor Lucero with the 2012 gold pin. He stated that he and some volunteers will go to the national cemetery to place flags that Friday.

Motion carried 6-0.

4. Senior Center Rental Fees

Councilor Lujan exited at 6:27pm.

Community Services Director Cata stated that, to offset the revenues for providing food and activities for seniors, he suggested renting the senior center facility. He estimated that this would bring in approximately \$12,000-\$18,000 per year. He explained that the facility would be rented rental based on the use of tables, chairs and restrooms and they would not allow use of the kitchen or supplies.

Motion by Councilor Valdez to send to full council; seconded by Councilor Lewis.

Councilor Valdez stated there were different figures on page 2. Community Services Director Cata requested that it be amended to \$250 for the cleaning and damage deposit. Councilor Valdez asked if staff would need to be there. Community Services Director Cata stated that they would be working flex schedules to open and close.

Mayor Lucero explained that the building used to be rented, but the City Council had halted the process because of wear and tear. Mayor Lucero suggested that this was a viable option to help avoid furloughs and added that liquor would not allowed.

Councilor Valdez stated he would like to transition the food to meet state requirements for funding. Community Services Director Cata stated that they would do what they had to in order to keep the Senior Center open.

Motion carried 6-0.

5. San Gabriel Historical Society Lease

Community Services Director Cata stated that the bond House had been used to display exhibits which were changed every 3-6 months. He explained that the San Gabriel Historical Society had a new president who had had requested putting a lease agreement into place. He added that the contract had been sent to City Attorney Coppler who had revised and approved it.

Motion by Councilor Valdez to send to full Council; seconded by Councilor Martinez.

Councilor Valdez stated that the contract stated it would last from March 1, 2012 to June 30, 2013. He questioned why this had not been done for the fiscal year. Community Services Director Cata stated that it had been originally submitted to City Attorney Coppler in late February. Councilor Valdez stated that he would like to see it changed for FY 2013.

Councilor Valdez page 3, item 10 and asked if Community Services Director Cata could explain A and C. Mayor Lucero replied that the sections did not apply. A

Motion by Councilor Valdez to send to full council as amended; seconded by Councilor Martinez.

Motion carried 6-0.

6. FY 2012-2013 Preliminary Budget Adoption

Mayor Lucero stated that any changes would be brought back the following Tuesday for approval.

Councilor Valdez stated that he had met with Administrative Services Director Sandoval for about 30 minutes to answer all of his questions.

ASD Sandoval Joyce pointed out that information had been gathered from the department heads who had been instructed to maintain a flat budget. She explained that, at the present time, the budget was in a similar to position as in the prior year with a \$483,364 deficit. She stated that she had consulted with all department heads, except for Judge, to discuss cuts. She reported that all department heads had accepted the proposed solutions given the projected deficit. ASD Sandoval pointed out that the operating budget was on pages 1-14 and personnel costs were different from FY 12 because twelve (12) days of furloughs had been budgeted. She stated that, at the Mayor's request, furloughs would not be considered until absolutely necessary.

ASD Sandoval stated that the budget had been pared down without overstepping anyone's authority and the council would now have to decide how to alleviate the remaining deficit. She noted that a balanced budget was necessary for submission to DFA.

Councilor Lewis questioned why the salary schedule on page 14 reflected an officer that was no longer with the department. Mayor Lucero stated that the position remained even though it was unfilled. ASD Sandoval added that this salary schedule was a reflection of the budget as of February. ASD Sandoval stated that the salary schedule had remained the same, but stated that the Governing Body may consider changes in personnel to alleviate the deficit. She added that the Final Budget would have the payroll status as of June 30th.

Councilor Valdez asked about the size of the deficit. ASD Sandoval replied that following several cuts, she had manually begun adding and subtracting costs. This reduced the budget deficit from \$206,958 to \$99,800.

Councilor Valdez asked about the possibility of not funding positions. ASD Sandoval replied that the process of eliminating or not funding some vacant positions had been completed and the remaining positions were considered to be necessary positions.

Councilor Valdez stated that \$89,000 could be saved from the Public Safety Department by June. ASD Sandoval stated that she did not have the authority to consider that without discussing it with the Public Safety Director at length.

Mayor Lucero stated that several of the positions needed to be filled and noted that without a Lieutenant, the Chief was the only administrator for the Police Department.

Councilor Valdez opined that the animal shelter budget should remain flat. Mayor Lucero agreed. ASD Sandoval stated that a contract had been entered into prior to Mayor Lucero's administration agreeing to a tiered increase. She stated that the previous year, the City had negotiated to continue services for a cost of \$80,000 which was \$39,000 less than the original cost.

Mayor Lucero suggested renegotiating. Councilor Valdez stated that he would like to the contract amount return to \$50,000 since the City was providing the building and the utilities.

ASD Sandoval indicated that this would cut the deficit to \$64,000.

Chief Branch replied that the Police Department had gone from forty-five (45) staff members at one time to twenty-three (23). Councilor Valdez reminded everyone that there was Rio Arriba County, the New Mexico State Police, and Tribal officers in the area. Chief Branch questioned their response time. He explained that Santa Fe County had one officer dedicated to Northern Santa Fe County and the New Mexico State police only had two (2) officers per shift for the entire district. Chief Branch added that Tribal officers were not certified and did not jurisdiction in the City of Española.

Councilor Martinez stated that she had begun to feel safer concerning the department and would like to go through the budget with a fine tooth comb rather than cut Public Safety. She expressed her belief that this was a dire necessity.

Councilor Lewis stated that he disagreed with Councilor Valdez because crime rates were rising and the police Department was already shorthanded. Councilor Radosevich added that there was no way the City could rely on the Rio Arriba County Sheriff's office or State Police. He expressed his belief that the council needed to work to get more officers and make people feel safe.

Mayor Pro-Tem Salazar stated that Public Safety had been hurting for more than eight (8) years.

Councilor Martinez suggested not allowing officers to take vehicles home as a way to cut fuel costs. Chief Branch stated that they were currently going through union negotiations and could visit that. Mayor Lucero stated that the issue had been discussed in the past; however, they had decided that because police officer salaries were lower than other communities, the benefits had been a sticking point.

Councilor Lewis stated that the City needed a strong grant writer. Mayor Lucero stated that this had been looked into. Councilor Lewis stated that the fire department had lost \$350,000 to another department in the area because they did not have the information available to them regarding the grant.

ASD Sandoval stated that most of the available state and federal grants require a 25% to 40% match which we are unable to afford.

Councilor Radosevich exited at 7:08pm.

ASD Sandoval explained that the federal government dealt with their deficits by requiring matches.

Councilor Lewis reiterated the need for a grant writer to bring in monies. Mayor Lucero stated that she and Interim City Manager Joe Duran had met with LANL employees Kurt Steinhouse and Rick Ulibarri two (2) weeks prior. She explained that they informed her that LANL has a group of people looking for grants who would assist us. Mayor Lucero added that the Grants Administrator had been applying for grants even though her job was to monitor the grants.

Councilor Radosevich re-entered 7:10pm.

Chief Branch addressed Councilor Lewis' question regarding lost grant funding stating that there were several grants the Fire Department did not qualify for because they are not a volunteer agency.

Councilor Valdez suggested reducing the vacant officer position for the purpose of balancing the budget and reinserting it at the end of June.

Councilor Martinez asked about the \$20,000 match required for an ambulance. Chief Branch stated that it was an \$85,000 vehicle and the department had to receive confirmation that they would be awarded. He stated that they may be able to earmark wildfire money for that purpose.

Mayor Pro-Tem Salazar asked ASD Sandoval for clarification regarding about the way the attorneys were paid. ASD Sandoval replied that they were both under contract, therefore, they submitted invoices with case times, cases worked on, time frame. Then the City Manager would evaluate the costs compared to the contract guidelines. ASD Sandoval continued that if the invoices were correct, the City would pay. Mayor Lucero explained that attorney fees had been cut from prior years almost in half.

Mayor Lucero stated that the most difficult departments to cut were Public Safety and Streets. She mentioned that the Senior Center numbers had decreased considerably and cited this as an example of a service not being a basic need.

Councilor Radosevich asked the cost per meal. Community Services Director Cata stated that it was two dollars (\$2). Mayor Lucero informed him that the previous year they had attempted to raise the cost by \$0.50 and there had nearly been a riot. ASD Sandoval stated that this was a cultural and traditionally sensitive issue. Councilor Radosevich asked who was in charge, the Governing Body or the Senior Citizens. He added that if the cost of meals was not raised, the meals would have to be converted to comply with the Department of Agriculture guidelines.

Community Services Director Cata stated that the issue had been touchy; however, they could look into it. Councilor Radosevich clarified that he was not against providing the services for the Senior Citizens.

Councilor Martinez asked about the costs of the Information Technology Department. ASD Sandoval explained that the contractual services line item was for Efinity, a company that provided services that our personnel was unable to as well as serving as a backup for IT. Councilor Martinez questioned the costs of the professional services line item. ASD Sandoval stated that of the costs that had come from this line item, services rendered were mostly knowledge-based versus any tangible product. ASD Sandoval added that the RediNet contract would have to be incorporated into that budget as well. She added that the Caselle upgrade had been done in payments.

Councilor Radosevich exited at 7:31pm.

ASD Sandoval stated that the Central Administration fund was supplementing the costs for telephone services. She clarified that the IT budget covered landline telephones through Altura and Central Administration covered Verizon.

Mayor Lucero pointed out nearly \$200,000 deficit from the gas tax. She urged people to buy gasoline in town and not at the Indian gas stations. She explained that they go toward street improvements.

ASD Sandoval explained that pueblo enterprises were not subject to tax for gas or lodger's tax.

Public Works Director Marvin Martinez stated that the 210 fund would be over \$200,000 in the negative because revenues had not come in. He stated that if anything else was cut from 210, they would lose federal grants.

Councilor Martinez suggested asking each department head what they can cut themselves. ASD Sandoval stated that this had been discussed in depth. She added that the Department Heads had worked to make a tremendous cut already. Councilor Martinez stated that given the spirit of the council trying to serve the people of the Valley, all departments should be required to cut.

Mayor Lucero asked if the council were willing to allow ASD Sandoval to work with Department Heads to come up with a balanced budget for the Regular Council Meeting. She asked that the Councilors contacted ASD Sandoval if they had any concerns or ideas.

Mayor Pro-Tem Salazar asked if it was possible to see a productivity report from the police officers. ASD Sandoval replied in the affirmative.

ASD Sandoval clarified that the total estimate was the year-to-date divided by the percentage of the year covered. This amount was the annualized budget figure.

Councilor Lewis stated that the City would receive more revenues if the officers sent their citations to municipal court. He stated that it was his understanding that administration could not require their officers to send their citations to a specific court.

Mayor Pro-Tem Salazar asked Interim City Manager Duran if there were any proposed new hires for FY13. Interim City Manager Duran stated that there were no new positions other than what had already been budgeted.

ASD Sandoval cited the first page of salary schedule and stated that the total budget was \$9.8 million and the cost of personnel \$6.5 million.

Mayor Lucero asked ASD Sandoval to look into the application of cash ending balances.

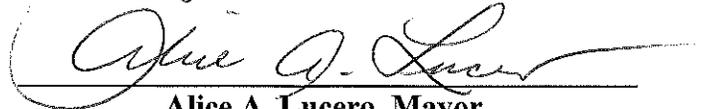
Councilor Martinez reported on the Money Laundering Alliance meeting that had taken place at the Attorney General's Office. She stated that goal was to procure grant money from a settlement from Western Union to the Federal Government. She announced that she had made several connections, most importantly Mr. Jose Ramirez Assistant Director for High Intensity Drug Trafficking Area (HIDTA) in Las Cruces. He conducts a class for police officers in Albuquerque during the month of June for which he had 10 scholarship positions available. She stated that Mr. Ramirez reserved 2 positions for the City of Española. Councilor Martinez added that she had been in touch with Chief Branch so he could send two (2) officers to that class.

Motion by Councilor Lewis to adjourn; seconded by Mayor Pro-Tem Salazar.

The meeting was adjourned at 7:58pm.

Minutes taken and transcribed by Tessa Jo Mascarenas, City Clerk.

APPROVED AND ADOPTED THIS 26th DAY OF June, 2012.



Alice A. Lucero, Mayor

ATTEST:



Tessa Jo Mascarenas, City Clerk