

*Summary Minutes of:*

**FINANCE BOARD MEETING  
Tuesday, May 10, 2011  
City Hall Council Chambers  
405 N. Paseo de Oñate, Española, NM 87532**

**I. Agenda as Presented:**

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- I. Call to Order**
- II. Approval of Agenda**
- III. Public Comments**
- IV. Committee Member Comments**
- V. Discussion/Action Items**
  - a. Review and Approval of FY 2011-2012 Proposed Budget
- VI. Matters of the Chair**
- VII. Announcements**
- VIII. Executive Session**
- IX. Adjournment**

*At any time during the Open Meeting, the Committee members, by a majority vote, may close the meeting to the public to discuss matters not subject to the New Mexico Open Meetings Act. The Committee members, by a majority vote, may revise the order of the agenda items considered at this Open Meeting. If you are an individual with a disability who is in need of an amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk's Office at 747-6019 at least three days prior to the meeting.*

---END---

**II. Call to Order**

The meeting was called to order by Mayor Alice Lucero at 6:04pm with the following in attendance:

Mayor:	Alice Lucero
Mayor Pro Tem:	Cecilia Lujan
Councilors:	Corey Lewis
	Greg Ortega
	Dennis Tim Salazar
	Helen Kain-Salazar
	Pedro Valdez
	Robert Seeds
City Manager:	James Lujan
City Clerk:	Tessa Jo Mascareñas

**I. APPROVAL OF AGENDA**

*Councilor Seeds made a motion to approve the agenda; Motion seconded by Councilor Ortega. Motion carried 7-0.*

## **II. PUBLIC COMMENTS**

Ms. Bennie Romero stated she would like to speak on behalf of the Senior Citizens from the Senior Center. Mayor Lucero replied that she understood that Ms. Romero was in attendance to discuss the proposed fee increase and asked if Ms. Romero would be willing to hold her comment until that item is discussed as a portion of the budget. Ms. Romero agreed.

## **III. BOARD MEMBER COMMENTS**

Councilor Lujan stated that there will be a Public Safety meeting on June 6, 2011 at 3:30pm in the Council Chambers and she will be sending an invitation by email to the business community.

Councilor Lewis stated that he would like to wish the EVHS track team and the McCurdy team good luck as they would be going to state competition. Mayor Lucero suggested recognizing the team members upon their return from competition.

Councilor Seeds asked if there had been any communication with the Española Public Schools regarding the land swap. City Manager Lujan stated that he had spoken with their attorney who informed him she would be unable to advise her clients on some of the items proposed. She told him that she would be sending those items to City Manager Lujan and Attorney Frank Coppler on Friday, May 13, 2011. Councilor Seeds stated that he would like to expedite this process as it is his understanding that some of the school board members were becoming impatient. Mayor Lucero replied that a response was actually needed from the schools. Councilor Seeds stated that he would like to meet with them this week.

## **X. Discussion/Action Items**

### **a. Review and Approval of FY 2011-2012 Proposed Budget**

Mayor Lucero opened discussion about the budget work sessions. She asserted her belief that Council had been given a proposal by City Manager for changes and discussion and any issues that Council was uncomfortable with would be renegotiated. Mayor Lucero stated that she studied the budget thoroughly and dedicated a lot of time to determine some way to correct some of the issues, one of those issues being the increase in fees for senior citizen meals. She acknowledged that city revenues had been coming in lower each month. The current figures showed a decrease of \$308,000 as a result of the gas shortage crisis. She stated that in the past, budget amounts were up to \$12 million. However, the budget now stands around \$8 million with comparable services being provided. In addition, she stated that 12 days of furloughs for City employees was being discussed.

Mayor Lucero stated that there was not much of a choice regarding the elimination of the detention center. She said that she had been informed of occasions when the center was fully-staffed and there were no inmates; however, these funds could be shifted to fund vacant police positions while maintaining employment for staff.

Mayor Lucero stated that as a result of this change, some employees had resigned for other employment opportunities. Mayor Lucero declared that she felt that the salary savings from one open position could be used to prevent an increase to senior meal fees. However, she stated that she is encouraging employees and the general public to shop locally as much as possible. In order to continue providing services, revenue must continue to be generated. She expressed displeasure that cities, the state, and the federal government were at a point where they were unable to help each other. In addition, she noted that many cities have been forced into layoffs and service cuts. She stated that she wanted the seniors to know that the previous decision by council had not been made with the intent to hurt the seniors, only to keep the City of Española budget balanced. Mayor Lucero stated that, with the approval of the Council, the fees for senior center meals would remain the same.

Ms. Romero thanked Mayor Lucero and stated that there would have been a lot of seniors that would have been unable to afford the meals.

Ms. Tilia Trujillo voiced her preference regarding the variety and quality of the food being served at the center. She stated that the menu should be modified for diabetics. Mayor Lucero informed Ms. Trujillo that 2 years prior, Council had attempted to change the nutrition; however, a large group of senior citizens appeared before them and advocated not changing the meals. So the City Council complied. City Manager Lujan stated they can all work together with Josephine on the menus and get input from the seniors. Ms. Trujillo recognized Council Kain-Salazar for being involved with the meals and keeping the lines of communication open with those at the center. Mayor Pro-Tem Lujan asked what meals were of the most concern. Ms. Trujillo stated that the lunch was her concern. Mayor Pro-Tem expressed her belief that the issue was crucial and asked City Manager Lujan to look into the problem.

Ms. Romero stated that she had been a member of the center for many years and that there are several different things that can be cooked using the same types of food. Ms. Angie Salazar thanked Mayor Lucero for eating at the center as well and stated that the cooks are the greatest and make very good breakfast. She stated that she was only asking that they add some variety. Mayor Lucero asked if a suggestion box would help. She stated that suggestions would go directly to her, the City Manager, and the council- if necessary. The senior citizens in attendance stated in the affirmative. Mayor Lucero thanked everyone for attending and stated that they are welcome to stay for the rest of the meeting.

Mayor Pro-Tem Lujan commended Mayor Lucero and City Manager Lujan for discovering a solution. She stated that no one wanted to increase those fees and that their proposal was one she would support. Mayor Lucero stated that the City Council had

adopted a motion to increase. Therefore, a motion for a change would be needed. Councilor Salazar thanked the Mayor and City Manager Lujan. He thanked the seniors for their leadership and stated that they are the jewel of the community.

Mayor Lucero called for the continuation of discussion on the budget.

City Manager Lujan stated that the only item pending action item was the issue of the 12 furlough days. He stated that they would entertain actions on that subject as well as one to remove the increase in fees. City Manager Lujan informed them that there had been a resignation from the detention center. In addition, Chief Montoya had received a position from a grant he received for three years. At the end of the three year cycle, the issue would be revisited. City Manager projected that this would bring in an estimated revenue of \$22,000.

City Manager Lujan stated that he would like to call attention to Page 24. Total expenditures and transfers out equaled approximately \$999,000 and revenues were projected to be under \$300,000. The furlough days had become necessary as a result of this deficit. The amount saved would leave a \$68,000 cushion which is relatively small in the event that a disaster were to occur- a harsh winter, gas price increase, etc. City Manager Lujan stated that at mid-year some of the furlough days may not be necessary and it is his hope they can do away with them at that time.

City Manager Lujan stated that the Community Services department had really stepped up to bat. Although there were concerns with the plaza, as management, they are confident they can work with the budget to accommodate.

***Motion made by Councilor Ortega to rescind the prior action taken with regard to the increase of senior center fees; seconded by Mayor Pro-Tem Lujan, Councilor Salazar, and Councilor Seeds.***

Councilor Seeds stated that the kids in the valley had been forgotten and their rates would still be increased. City Manager Lujan stated that they had not addressed that item any further. Mayor Lucero asked Councilor Seeds if he had any suggestions. Councilor Seeds stated that he felt City Government was very top heavy. Councilor Salazar asked for more clarification on the rates. Mr. Len Cata stated that the increase would be on the daily fees only. However, the memberships would not increase. Therefore, if families were worried about finances, they would have the option of purchasing a monthly membership. Some of these memberships decreased the daily fee to \$2.

Mayor Lucero stated that the increase would be used to maintain the facilities. Councilor Ortega asked if an email sent earlier in the day from Mr. Andrew Herrera to City Clerk Mascareñas regarding one line item in the budget had been addressed. Mr. Herrera stated in the affirmative.

Councilor Seeds asked if the membership plans had gone before the Community Services Committee. Mr. Cata stated that it had been approved. Councilor Seeds asked if this

administration had discussed that. Mr. Cata stated that it had not been evaluated since the prior administration.

***Motion carried 7-0.***

City Manager Lujan stated that he did not have any more items for discussion. However, he was willing to answer any questions that the Governing Body might have. City Manager Lujan commended the staff by stating that everyone had stepped up to the plate by doing more with less.

Councilor Lewis asked if the furlough days would include the City Manager, Fire Department, Police Department, etc. Mayor Lucero stated that they will not have a day off; they will just not be paid for one day worked.

Councilor Valdez stated that he has a question regarding the \$8 million in the bank in CDs. He stated that he was aware that 1/12 must be maintained. However, he questioned the \$1 million dollars the housing authority had. City Manager Lujan stated that those funds were actually under the purview of the City of Santa Fe and the name on the account had never been changed to reflect that. Councilor Valdez asked if any of those funds were being drawn. Ms. Sandoval stated that they were not and the City of Española no longer even received a bank statement for those accounts. She continued that the Santa Fe Civic Housing Authority would need to go to the bank, close the accounts, and re-open them under the correct title.

Councilor Valdez asserted that he planned to aggressively pursue savings in the future. He stated that he will support this budget; however, he would be bringing several items for discussion before the Finance Committee.

Councilor Salazar stated that he felt the need to play Devil's Advocate in the discussion regarding furloughs. He asked if the possibility of taking the top 5% wage earners and decreasing their salaries by 3%. He expressed his feelings of discomfort regarding the requirement of individuals making \$10 to \$12 per hour to take a cut. City Manager Lujan stated that they had not looked into this possibility.

Councilor Seeds asked if something could be done to get the Housing Authority back from Santa Fe Civic. Mayor Lucero stated that the issue could be discussed in detail at a Finance Committee meeting. Councilor Seeds stated that he felt it important to be a part of this process.

Councilor Lewis stated that he agreed salary cuts from the top down should be studied. Ms. Sandoval stated that as she calculated individuals on the same schedule as her, the amount received would not come close to what was needed. She stated that she made approximately \$57,999 annually. In addition, she stated that across the board cuts were most fair as cuts from the top of the scale could penalize those that work the hardest and put in the most hours. Ms. Sandoval opined that, in all fairness, every employee should forfeit their fair share. In addition, a different rate would not be applied to anyone's

salary. The furlough days would have the least impact on employee day-to-day wages. Councilor Kain-Salazar stated that some full-time Director positions could be reduced to part-time. She cited the Senior Center Director as an example, as it used to be a part-time position.

Mayor Pro-Tem Lujan stated that she was sure staff had examined each area in detail. City Manager Lujan stated that he would be examining other cuts by reducing and doing more with less. He asserted that he had discovered a lot of waste and he had begun to make people accountable. He invited councilors to sit with him and other hardworking employees who do earn their salaries. City Manager Lujan stated that waste has gone on for years and he is hoping to capture it.

Councilor Seeds stated that he does not feel comfortable discussing people's positions in a public meeting and felt it inappropriate to air personal business. Mayor Lucero stated that it is illegal to discuss public monies in a closed meeting.

Councilor Lewis thanked all employees for their work and asked the City Manager to revisit the budget for some solutions. Mayor Pro-Tem asked if there were other options explored. City Manager Lujan stated that there were other ways, but they would require layoffs and service cuts. He declared that he would welcome suggestions. He stated that the proposal was the best way he could present without cutting operations because government was meant to maintain health, safety, and welfare. Therefore he could not remove pertinent positions. He did have the ability to cut hours at the recreation center or senior center but those options were not favorable. He continued that enterprise funds were running in the black and road and sewer services had to remain in operation. He added that the 12 furlough days would affect him as more of a loss than to others by dollar amount.

Councilor Ortega commended Ms. Sandoval and the finance staff for putting the budget together. He stated that he had spent the entire weekend scrutinizing the budget. He asserted that it was the responsibility of the council to study the options as well. He stated that he trusted that the budget had been gone over by staff with a fine tooth comb. However, he felt that Council should discern specific solutions and consider what is most fair to the constituents. He said that lodging requests for staff to come up with solutions was irresponsible and added that this was one of the hardest decisions he had ever had to make. Councilor Ortega expressed his hope that the furloughs could be done away with mid-year.

Councilor Ortega recalled that furloughs were avoided the previous year; however, now the only other option would be to let employees go. Councilor Seeds stated that he agreed with Councilor Ortega. He stated that he felt the issue had begun 365 days prior and stated that placing people in high paying positions without advertisement was one of the issues. He cited the the city attorney position as one position that had not been advertised and reiterated that finances must be overseen from day 1 until the end of the year. He added that many things had been done without Governing Body approval. Councilor Ortega stated that he disagreed and felt that the finances had been a priority.

He added that the finance department had been in shambles one year prior and it had come a long way as far as accountability. Mayor Lucero pointed out that the attorney fees had been reduced by \$200,000.

Councilor Kain-Salazar sympathized with Councilor Seeds feelings and stated that she too had studied the budget for solutions. She relayed that she had asked her committee to visit the areas and look for solutions on-site and no one had gone. She stated that she visited properties all around town with Mr. Marvin Martinez. She stated that she understood that everyone else worked full-time; however, she suggested visits to the departments rather than simply believing the documentation. She asserted that there are several employees who do not put in a full day of work and that Council must go out and see what waste there was.

Councilor Salazar asked if future savings could be earmarked to reduce furlough days and added his encouragement for the public to shop locally. Councilor Valdez suggested strict oversight of the budget over the next 6 months. He encouraged councilors to consider the overall budget when requesting specific projects and added that just because the amount was available, did not mean it should be spent.

Councilor Seeds stated that there is no Finance Director and the Grant Writer had quit. He added that a Finance Specialist had been moved and another employee had been hired by the former Finance Director. He referred to the situation as nonsense. Councilor Ortega stated that agreed with Councilor Seeds to a certain extent. However, he stated that approximately 5 minutes prior, Councilor Seeds had stated that these issues should not be aired in a public setting and then went on to discuss them. He added his hope that in the future, Council could have a discussion where Councilor Seeds did not talk out of both sides of his mouth.

Mayor Pro-Tem Lujan stated that she had concerns regarding the use of city vehicles on weekends. In addition, she requested that the furlough issue be examined on a month-to-month basis. Mayor Lucero agreed and stated that she would attempt to assess the situation on a daily basis.

*Mayor Pro-Tem Lujan exited at 7:21pm.*

Motion made by Councilor Valdez to approve preliminary budget; seconded by Councilor Ortega.

*Mayor Pro-Tem Lujan reentered at 7:22pm.*

Motion carried 6-1, with Councilor Seeds voting in the negative.

## **XI. Matters of the Chair**

Mayor Lucero extended her appreciation to the finance staff for their diligent work. In addition, she thanked the employees because as they had a stake in this budget and had

been doing more with less for a long time. She declared that the employees kept the city going and urged them to continue with their good work. She expressed her hope that upon the quarterly evaluation, something could be done to avoid further furlough days.

Mayor Lucero added that Clean-up day was scheduled for Saturday, May 14, 2011 at the Plaza and added that this would be the first time she would miss the event because it was graduation at Northern New Mexico College and she had a graduate in her family. She stated that Mayor Pro-Tem Lujan would be there to represent the Governing Body. Councilor Seeds stated that his family would be there.

**XII. Announcements**

*There were no further announcements.*

**XIII. Executive Session**

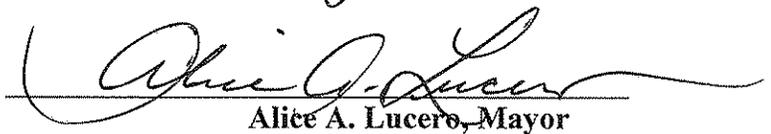
*There was no need to go into Executive Session.*

**XIV. Adjournment**

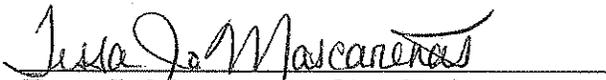
*Motion by Councilor Valdez to adjourn; seconded by Councilor Kain-Salazar.*

*Motion carried 6-0. Meeting adjourned at 7:24pm.*

APPROVED AND ADOPTED THIS 21<sup>st</sup> DAY OF May, 2011.

  
Alice A. Lucero, Mayor

ATTEST:

  
Tessa Jo Mascareñas, City Clerk

