

**CITY COUNCIL MEETING
TUESDAY, JULY 24, 2007 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
405 N. PASEO DE OÑATE, ESPAÑOLA, NM**

The meeting was called to order at 6:07p.m.with the following present:

Mayor	Joseph M. Maestas		
Mayor Pro Tem	Alice D. Lucero		
Councilors	Danielle Duran Rosario “Chayo” Garcia Alfred Herrera Helen Kain-Salazar Cecelia Lujan Edward Maestas (absent) Dennis Tim Salazar		
City Manager	Gustavo “Gus” Cordova		
City Clerk	Veronica Martinez Lucas Gauthier		
City Attorney	Angela “Spence” Pacheco		
Staff:	John Kitchen Ivan Guillen Anthony Trujillo Ted Garcia Christian Lopez Gene Rodella Mel Duran Joseph A. Maestas Johnny Padilla.	Julian Gonzales Josie Lujan Bernadine Martinez David Bustos Diego Ortiz Donald Romero Melissa Griego Susan Trujillo	Rick Vigil Leroy Garcia Leroy Archuleta Joaquin Maestas Vince Crespin Leonard Martinez Bobby Wright Frank Lucero

PLEDGE OF ALLEGIANCE:

Mayor Maestas led the pledge and invocation.

APPROVAL OF AGENDA:

Mayor Maestas presented the agenda for approval.

PROCLAMATIONS AND AWARDS OF MERIT

1. Employee of the Month

MATTERS FROM THE MAYOR

2. Appointment of Alternate Voting Delegate for NMML Meeting
3. Vote of Confidence of Public Safety Director

BUSINESS WITH VISITORS

4. Hispano Music Awards Presentation
5. Presentation of First Draft Redistricting Plan

PUBLIC COMMENTS

COUNCILOR COMMENTS

DISCUSSION ITEMS

6. Fiestas de Española

CONSENT CALENDAR

7. Minutes of June 18, 2007 City Council Workshop
8. Minutes of June 26, 2007 City Council Meeting
9. Resolution 2007-41 – Authorizing the Destruction of Certain Public Records

10. Resolution 2007-42 – In Support of Maintaining Funding for LANL
11. Resolution 2007-44 – Accepting NMED Grant SAP 07-4356-GF for Water System Improvements and Assigning Signatory Authority
12. Resolution 2007-45 – Accepting NMED Grant SAP 07-4357-GF for Well No. 7 and Assigning Signatory Authority

REGULAR CALENDAR

13. Final Budget Presentation and Recommendation
14. Resolution 2007-43 – Fiscal Year 2007-2008 Budget Adoption
15. Memorandum of Agreement with Los Alamos YMCA
16. Rental Agreement for Chamber of Commerce Use of Convento Space
17. Approval of Selection of Auditor for FY 06-07 Audit
18. Approval of Selection of Surveyor for Survey of City Utilities Within Santa Clara Pueblo and Approval of Contract

MATTERS FROM THE CITY ATTORNEY

19. Request for Increase of Risk Fund Budget

EXECUTIVE SESSION

20. Pursuant to Section 10-15-1(H)(2) of the Open Meetings Act to Discuss Personnel Matters

ANNOUNCEMENTS

ADJOURNMENT

Mayor Pro Tem Lucero suggested the following changes: move Business with Visitors and Public Comments first, move Executive Session before Matters from Mayor, move items 13 and 14 after item 19.

Mayor Maestas suggested changing item 15 as a discussion only item, stating that there needed to be a language change and a request for creating risk fund budget authority.

Councilor Garcia made a motion to approve the Agenda with the suggested changes, seconded by Councilor Kain-Salazar.

Motion passed 7/0.

PROCLAMATIONS AND AWARDS OF MERIT:

Mayor Maestas and Mayor Pro Tem Lucero, and City Manager Gus Cordova, presented employee of month award to employees who participated in the snow removal crew over the past winter. Mayor Maestas stated that he received compliments from the public on a job well done by the crew. Mayor Maestas called the employees' names and presented a certificate and awarded a check to Leroy Archuleta, Mel Duran, Frank Lucero, Adam Trujillo (not present), Robert DeAguero (not present), Diego Ortiz, Anthony Trujillo, Johnny Padilla, Vernon McCall (not present), Elijah Mares (not present), Ronald Martinez (not present). Mayor Maestas stated that the actions of this crew exemplified the importance in teamwork.

Mr. Cordova stated that it was the first time the City has recognized a whole department for superior work, great to have such dedicated foot soldiers on the ground.

BUSINESS WITH VISITORS:

Hispano Music Awards

Judy Lujan on behalf of the New Mexico Hispano Music Association, as well as Casey Gallegos, president of the NMHMA gave a brief presentation on the event. Mrs. Lujan stated that the Hispano Music Association had several generation groups and that the Association requests grant monies for the groups. Mr. Gallegos presented marketing information to the council. Mrs. Lujan stated that the Award show is January 18, 2008, and that the purpose of their presentation to Council was because they had submitted an application to Lodger's Tax Board and had not received a formal answer but were told by a member that their request had been denied and were present to appeal that decision.

Mrs. Lujan stated that Councilor Garcia stated that there request was denied.

Mayor Maestas stated that the Lodger's Tax Board had presented their budget to the Governing Body, and it had been approved with \$20,000 remaining for community organizations to apply for.

Mayor Maestas stated that the City had contributed \$5,000 last year, against the vote of the Lodger's Tax Board, adding that he wanted to honor the Lodger's Tax Board's decision. Mayor Maestas asked if other entities had contributed. Mrs. Lujan stated that she had received \$2500 from Santa Fe County, \$2500 from City of Santa Fe, and that she was currently working on a request for Rio Arriba County.

Mayor Pro Tem Lucero commented that this event was wonderful, adding that it represents a lot of local talent and that it was nice to honor them in the community. Mayor Pro Tem Lucero stated that she was proud of the artists, and that she would like to keep the event in the City, adding that the City should support it in some way.

Councilor Herrera welcomed the members of the New Mexico Hispano Music Association, stating that it was a tremendous event and required a lot of hard work by the association. Councilor Herrera stated that he was hoping to continue to have in the event in the valley and would like to explore the options to support the organization, even if not financial. Councilor Herrera stated that the City needed to be involved and recognize the talent in the valley.

Mayor Maestas asked what the deadline was for sponsorship. Mrs. Lujan stated that it would cost \$50,000 to produce the event and that the Association was already 15 days behind. Mayor Maestas suggested that the Association request reconsideration from the Lodger's Tax Board, adding that it would be the logical next step. Ms. Lujan stated that she would contact the Lodger's Tax Board to get on the agenda. Mrs. Lujan stated that the Association was working on an application for National Endowment for the Arts to build other events and scholarships to continue the contemporary and traditional music. Mrs. Lujan stated that it would be better to have the Lodger's Tax Board's decision by the 8 or 9 of August as well as support from the Council by way of resolution for the application packet. Mayor Maestas stated that that was a great idea.

Districting:

Michael Sharp and Brian Sanderhoff of Research and Polling Inc. presented on this item.

Mr. Sanderhoff stated that he was contracted by the City to come up with plans for districting the manner in which City Council is elected. Mr. Sanderhoff explained that State Law in New Mexico mandates that if a City has a population greater than 10,000 people, the City must create election districts that Councilors must live and run in those districts. Mr. Sanderhoff stated that in 2000 the population was 9800 people, and that the City missed the legal mandate. Mr. Sanderhoff stated that since the City has grown, the current ward system creates voter confusion and allows the councilors to run at large. Mr. Sanderhoff stated that he would pose several options to include 4 districts, 2 councilors each, and 6 single-member districts. Mr. Sanderhoff added that other plans included possible annexation since it changes populations. Mr. Sanderhoff stated that they have tried to create plans that made good sense for the community. Mr. Sanderhoff stated that they were presenting asking for guidance in the preliminary meeting "round one".

Michael Sharp presented the basics of redistricting. Mr. Sharp stated that there were five basics to districting; near equal population, avoid diluting of minority voting strength, compactness, contiguity, and communities of interest. Mr. Sharp stated that with four (4) districts, the population would be approximately 2450 residents per district with a plus or minus 5% variance. Mr. Sharp stated that he would take input and make modifications to the plans and that Council should be able to adopt a plan by the third round, in time for March 2008 election.

Mayor Maestas asked for public comment on the issue. There were none.

Mayor Maestas opened for questions to Governing Body. Mayor Pro Tem Lucero asked since they could not split a precinct in between districts and because the city is split between Rio Arriba County and Santa Fe County, how they would accomplish it. Mr. Sharp stated that he might have misspoken, adding that they try not to split precincts if possible, but if necessary it could be done and that it was common to do so. Mr. Sharp stated that it was then up to County Clerk to establish polling place or different polling machines, and other alternatives.

Mayor Maestas asked if the three alternative annexation areas, including the Sombrillo area, were considered. Cyrus Samii stated that it appeared that the proposed annexation of Sombrillo might not have met the October deadline and so asked Research and Polling to only consider the likely areas in Rio Arriba County but not Santa Fe County.

Mayor Maestas stated that all proposed annexation areas should be considered, since the City may be able to meet the timeline with Santa Fe County and the Boundary Commission. Mr. Sanderhoff asked the Mayor if he thought that the Governing Body would annex by October. Mayor Maestas stated that he was uncertain of the annexation Santa Fe County Sombrillo area was ruled out. Will take into account.

Mr. Sharp presented plan A that would create 4-districts, dual member for a total of 8 councilors. Mr. Sharp stated that each district would have an ideal population of 2,453 per district and could range from 2230-2576. Mr. Sharp stated that the first map presented followed the current ward boundaries closely and showed the current district populations and the disparity. Mr. Sharp stated that in proposed Plan A, which was 4 districts within the current city limits, they tried to keep neighborhoods in mind as dividing lines. Mr. Sharp stated that Plan B was a 4-district plan within current city limits that took into account where the current councilors reside and still met all other criteria. Mr. Sharp stated that Plan C was a 4-district plan within the current city limits that also kept the councilors residences in mind, but tried to make district 4 more compact.

The second set of plans included the proposed annexation areas in Rio Arriba County El Llano area. The proposed districts would have an ideal population density of 2,626 with a range of 2495-2757 (710 increase with El Llano). Plan A proposed compact districts and preserved the election schedule of the current councilors.

The six-district option was presented next, which had an ideal population density of 1635, and a range of 1553-1717. Plan A caused a split of neighborhoods, but followed distinct physical boundaries. Plan B started at District 1 from the South rather than the North and still kept the distinct physical boundaries. The proposed annexation area with six districts was presented. This option had an ideal population of 1750 and an acceptable range of 1662-1838. Plan A was presented as compact and followed the physical boundaries. Mr. Sharp requested comments from the Governing Body.

Mayor Maestas asked Mr. Sharp to explain the six-member option, which required downsizing of the council. Mayor Maestas asked how that would play out. Mr. Sharp stated that he believed how it had been handled in the past; Councilors drew numbers out of a hat to start the stagger and would all be elected at the same time. Mr. Sanderhoff stated that another approach was to allow those councilors with a couple years left to serve them out and run for re-election in their new district. Mr. Sanderhoff stated that it would pose great voter confusion with two proposed changes. Mayor Maestas stated that if it were Councils desire to retain the current number of councilors, there would have to be four districts, and that the public should be aware of that.

Councilor Herrera asked about the process when considering annexation as part of districting, wondered if annexation needed to be completed, or underway in order to include them. Mr. Sanderhoff stated that annexation is usually not a part of redistricting, but when in the process, should try to get them done and make sure that the districts are well represented. Mr. Sanderhoff recommended that the City get the annexations done since they were currently in the process. Councilor Herrera asked what the timeline was for annexation. Mr. Samii stated that they must petition to Boundary Commission, and then it would be 60 days out. Mr. Samii stated that they needed to have joint city-county meeting to discuss that issue in early-mid August since Judge Hall's recent decision. Mr.

Samii added that Santa Fe County would not sign on the joint resolution, and not doing so and that's why we didn't consider the Santa Fe area in the proposed districts; couldn't achieve in this timeframe. Even with Rio Arriba County's consent, we are still tight with October deadline for redistricting plan to be adopted. Mayor Maestas stated that if Santa Fe County was reluctant to meet, then to send a letter asking for consent. Santa Fe County did not want to participate in it or showed interest in the process. Mayor Maestas stated that when Santa Fe County held a meeting in Sombrillo and discussed the annexation issue; no one was in opposition to the annexation and was that considered a public meeting. Cyrus – at that time the emphasis was the sewer line extension and continues to be their focus. Mr. Cordova added that the meeting with Santa Fe County they said EL Llano South did not include any county roads and had no opposition to that area; the CR issue comes into play in Sombrillo. Should prepare for council to review, whether or not included in the annexation, should see what the option would be if it were annexed. Michael – could put together a plan that takes that into consideration. Mayor Maestas asked for questions from the public.

Rick Ulibarri asked why 8 districts were not considered. Mr. Sanderhoff replied that they were instructed to do 4 single member, 4 dual member and 6 single member; the 8 single member is possible, but when it is divided eight ways, the neighborhoods get diluted and the councilors represent only a little more than 1000 people, he added that it could be considered but might be burdensome and bureaucratic.

PUBLIC COMMENTS:

None.

Mayor Maestas asked to hear the YMCA item (item 15) before a motion to go into Executive Session.

Memorandum of Agreement (MOA) with Los Alamos YMCA

Mr. Cordova addressed this item, stating that a draft MOA was included as proposed by the YMCA. Mr. Cordova stated that the MOA was not intended to be the final draft but brings forward the issues they would like to see addressed and the City Attorney would draft the final MOA for adoption. Mr. Cordova stated that the MOA would include the \$38,000 already in the budget toward the plan, as well as utilities to the building as an in-kind match. Mr. Cordova stated that the YMCA would staff the facility and would pursue funding for Operating and Maintenance expenses. Mr. Cordova stated that there was a commitment from KSL to help give the facility a "face lift." Mr. Cordova stated that the cooperation of the city and YMCA would be beneficial to both parties.

Linda Daly, of the YMCA stated that they have had programs in Española in the past and were looking forward to this project. Ms. Daly stated that the YMCA would pursue additional funding, adding that she felt it would be a successful venture. Ms. Daly stated that the idea was that the YMCA would provide valuable programs and the City would provide a safe facility.

Mayor Maestas stated that he was excited about the collaboration and the programming, adding that the YMCA would be the catalyst to open the center. Ms. Daly commented that the partnership has been received well by the community and some business owners have come forward with funding to help, including Richard Cook.

Mr. Sandoval of YMCA stated that discussions with the Weed & Seed Project for shared use of space as a Safe Haven had taken place and are seeking support from the city and the community. MR. Sandoval asked to stay within the window of proposed opening of mid September. Marie McClard of KSL, stated that she heard about the program as a member of the community and was excited about the program and the support it had received. Mayor Maestas stated that the Governing Body's decision would be based on staff recommendations, and asked for the ok to go forward with drafting an MOA.

Councilor Duran would like to see additional things in the contract; want to see local people running the center, wanted to see programming such as Artes Sin Fronteras, and

the inclusion of the Weed & Seed program as part of the shared space. Councilor Duran asked if there was a liability hold-harmless clause. Mr. Cordova stated that he was working with the City Attorney on the agreements, and that she will make sure safeguards are included. Mr. Cordova stated that he wanted direction from the council to draft the final contract.

Mayor Maestas stated that there were members from the Fiesta Council present and stated that he wanted a brief update before Council goes into Executive Session. Shaya Lopez stated that participation was low Friday and Saturday, but on Sunday was better. Ms. Lopez stated that she learned a lot of what needed to be done next year. Ms. Lopez thanked Councilor Kain-Salazar and Councilor Maestas, Leroy Archuleta, Leroy Garcia, Ivan Guillen and Josie Lujan; Maria Tarazon and Archie Cordova. Mayor Maestas asked when the budget would be reconciled. Josie Lujan answered next week. Ms. Lujan stated that the Fiesta Council would present the final budget to the council and wanted to plan for more participation. Ms. Lopez stated that if the Fiesta Council had an early start they could do more next year. Mayor Maestas asked the Governing Body to make recommendations to Fiesta Council to allow them more time to raise money. Maria Tarazon stated that the current council is planning new fundraising efforts and continuing to work toward a better 2008 fiesta, including a concert at the Carter Ranch in September. Ms. Tarazon stated that they were recruiting membership and looking forward to officer appointment. Councilor Duran acknowledged that the council worked hard to accomplish this fiesta. Councilor Kain-Salazar thanked Maria and Shaya and offered congratulations Councilor Kain-Salazar stated that she would like to see more participation by council and community.

Mayor Maestas thanked Councilor Maestas for his participation in the fiestas, adding that the Governing Body needed to recommit themselves as a community to celebrate the community and our history; need to work harder. Mayor Maestas added thanks to Maria, Shaya and Josie for their accountability oversight.

Motion to enter into executive session made by Mayor Pro Tem Lucero in reference to 10-15-1H-2 of the Open Meetings Act of the State of New Mexico, seconded by Councilor Duran.

Roll call:

Councilor Kain-Salazar, for the motion

Councilor Garcia for the motion

Mayor Pro Tem Lucero for the motion

Councilor Herrera for the motion

Councilor Duran for the motion

Councilor Lujan for the motion

Councilor Salazar for the motion

Motion carried 7/0.

Council went into executive session at 7:56 p.m.

Councilor Duran made a motion to come back from executive session, seconded by Councilor Garcia.

Motion carried 7/0.

Executive session ended at 10:46pm.

No action was taken during executive session and discussion was limited to several personnel matters.

COUNCILOR COMMENTS:

Councilor Duran asked if Gus had checked into the library grant from Santa Fe County. Yes, should be getting a formal letter on the grant agreement, in the amount of \$20k.

Mayor Pro Tem Lucero commented that Monica Lovato would be fighting for the title and encouraged all to support her.

Councilor Duran announced that there would be a Library grand re-opening Thursday at 6:00 p.m., all should attend.

CONSENT CALENDAR:

These items were discussed during the Workshop on July 16, 2007.

Councilor Herrera made a motion to approve the Consent Calendar as presented, seconded by Mayor Pro Tem Lucero.

There was no discussion on the item.

Motion passed 7/0.

MATTERS FROM THE MAYOR:

Mayor Maestas stated that they needed to appoint an alternate voting member for the NMML meeting. Mayor Maestas stated that Councilor Salazar was the voting delegate last year with Councilor Herrera as an alternate. Mayor Maestas stated that he would like to appoint Councilor Herrera as the voting delegate with Mayor Pro Tem Lucero as the alternate.

Councilor Lujan made a motion to appoint Councilor Herrera as the voting delegate and Mayor Pro Tem Lucero as the alternate, seconded by Councilor Salazar.

Motion passed 7/0.

Under discussion, Mayor Maestas stated that it was going to be a big conference, the 50th year, and the 30th year of Executive Director of NMML.

Vote of Confidence of Public Safety Director

Mayor Maestas stated that he felt the item should be on the agenda. Mayor Maestas stated that he heard about union issues in the media, adding that he was not about taking sides or in an anti-union position, but was simply reiterating confidence in our chief in actions he's taken to find additional resources and move the department in the right direction. Mayor Maestas stated that the actions under his leadership have been to get in car digital cameras through funding through state; secured a loan for \$125,000 and a grant for \$105,000 in addition to a state appropriation. Mayor Maestas stated with the Chief's hard work 10 new police vehicles would be purchased. Mayor Maestas added that the Chief with the help of the City Manager they had requested a low interest loan to build new cells for the detention facility. Mayor Maestas stated that for the morale of the Police Chief a vote of confidence is needed to buck him up and to tell him to keep his chin up because they (the Governing Body) support him. Mayor Maestas stated that it is not meant to be antagonistic in any way, just to recognize him in an appropriate way. Mayor Maestas stated that he would entertain a motion.

Mayor Pro Tem Lucero stated that when the City hired Mr. Gonzales they asked him for his leadership, professionalism, and guidance for the department and especially implementing policy and procedures to lead a better department. Mayor Pro Tem Lucero stated that the department had been neglected for a long time, and believed the Chief had made a noticeable improvement, adding structure and accountability. Mayor Pro Tem Lucero added that the Chief provided leadership, direction and discipline. Mayor Pro Tem Lucero stated that Chief Gonzales was following through with his commitment to his employees and has been following through with the Governing Body's wishes.

Mayor Pro Tem Lucero stated that she wanted to go on record as having made the motion supporting the Chief of Police Julian Gonzales and continuing his efforts to move the department forward, seconded by both Councilor Duran and Councilor Lujan.

Councilor Salazar stated that he felt all the facts needed to be looked at, and because they had not been, he was unsure of whether he could support the motion, because all facts need to be looked at and would be voting against.

Councilor Duran stated that she agreed 100 percent with Mayor Pro Tem Lucero, adding her support for the improvements to the Police department.

Councilor Lujan stated ditto to both comments made by Mayor Pro Tem Lucero and Councilor Duran, and added that the Chief had done it all with very limited resources and his ability to overcome such a burden. Councilor Lujan thanked Chief Gonzales for that and his continued efforts.

Councilor Herrera stated that he wanted to state for the record, for the police dept as a whole to step up to the plate and do what needs to be done, meaning employees in general have a hard time with change, embracing it. Councilor Herrera stated that he thinks a culture change is difficult for people, and had mixed feelings about supporting the action, although after thinking long and hard he would support the motion with understanding that there needs to be improved communication between the City Manager, Police Chief, and employees.

Roll call vote:

Councilor Kain-Salazar – yes

Councilor Garcia – yes

Mayor Pro Tem Lucero – yes

Councilor Herrera – yes

Councilor Duran- yes

Councilor Lujan – yes

Councilor Salazar – no

Motion carried 6 /1. Councilor Salazar voted against the motion, stating there was a lack of facts to make an educated decision.

Rental Agreement for Chamber of Commerce use of Convento Space

Mr. Cordova stated that the item was discussed in detail at the workshop. Mr. Cordova stated that staff recommends this in order to get people to stop in and visit and enjoy the facilities on the plaza, it was a good cooperative venture to embark on the agreement.

Councilor Herrera noted that it was a two-year agreement. 2007-2009 understood by the City Manager it was subject to renewal.

Mayor Pro Tem Lucero declared a conflict of interest and would not participate in discussion and will abstain from vote.

Councilor Duran moved to approve the lease agreement with the Chamber of Commerce as presented, seconded by Councilor Kain-Salazar.

Councilor Herrera asked if legal council has reviewed the document. Angela Pacheco City Attorney stated yes it was reviewed.

Motion passed 6/0. Mayor Pro Tem Lucero abstained.

Approval of selection of auditor:

Mr. Cordova stated that as briefed at the workshop from a technical standpoint, both excellent, not ranking one over the other with credentials; but found their commitment to get the 07 audit completed on time – December 1, most desirable. Mr. Cordova added that the current firm on the 06 audit could not make that commitment. Mr. Cordova stated that he included the complete copy of the proposals submitted, as requested by council, and recommended that Precision be give the 07 audit.

Councilor Duran stated that she had not received the packet and so would not vote.

Mayor Maestas asked about the cost proposal and looks like it included multiple years and asked for clarification whether it was the recommendation to hire them for one year. Mr. Cordova stated that yes with the ability to renew for an additional one-year period. Mr. Cordova stated that the Hinkle Firm could only be renewed for one year since they had already done two years.

The council asked Mr. Cordova for more details on how the recommendation was developed. Councilor Garcia stated that the Precisions proposal didn't get a peer evaluation because they were late in submitting their evaluation, and their city work they had completed was limited compared to Hinkle, she also asked where their evaluation criteria came from, stating that the state auditor has form, and asked whether it was used. Mr. Cordova stated that no it not been used. Councilor Garcia stated that she was concerned about that, as well as the increased cost. Mayor Maestas asked what kind of time frame there was if the Governing Body decided that Hinkle would not work, what date would a new firm have to be on board to give them an opportunity to complete the audit on time. Mr. Cordova doesn't matter to staff which they selected, but there aren't very many to choose from who want to do public audits. Mr. Cordova stated that if it was going out for RFP again they would be cutting the window for people to respond and might not even get proposals. They need to start no later than September to get it by December. Mayor Maestas stated that the technical score was not bad, just a small difference, but don't want to delay any further.

Councilor Garcia made a motion to accept staff's recommendation to award Precision Accounting, seconded by Councilor Lujan.

No discussion.

Motion passed 6/0. Councilor Duran abstained.

Approval of Selection of Surveyor.

Mr. Cordova stated that it was really critical to move forward, adding that a meeting with the pueblo was positive and the relationship was improving. Mr. Cordova stated that the Pueblo agreed with the contract. Mr. Cordova recommended for approval.

Mayor Pro Tem Lucero made a motion to award survey to Morris Surveying under contract for the amount of \$20,000, seconded by Councilor Lujan and Councilor Herrera. Motion passed 7/0.

Under discussion, the topic, to have special meeting on July 30 at 7:00 p.m. to discuss budget and a budget resolution. Mr. Cordova stated that he could have a handout to council with the updated budget recap, which would include loans, grants and debt service, to be passed out before end of week. Mayor Pro Tem Lucero stated that she would like handouts tomorrow. Councilor Herrera stated that he would like an electronic copy that will be sent to DFA. Mayor Maestas asked to make sure they (the Governing Body) get it early.

Councilor Herrera asked if it should be a motion for continuance, if Council would reconvene to cover the rest of the agenda items. City Clerk Veronica Martinez stated that yes it should be and that it would be posted immediately.

The City Attorney item will be heard on Monday as well.

Councilor Herrera moved to continue meeting to July 30 at 6:30pm to deal with the remaining agenda items, seconded by Mayor Pro Tem Lucero.

Motion passed 7/0.

The meeting stood in recess at 11:46 p.m.

The meeting reconvened Monday, July 30, 2007 and was called to order at 6:35 p.m. by Mayor Pro Tem Lucero.

The following were present:

Mayor	Joseph M. Maestas (absent)		
Mayor Pro Tem	Alice D. Lucero		
Councilors	Danielle Duran Rosario “Chayo” Garcia Alfred Herrera Helen Kain-Salazar Cecelia Lujan Edward Maestas Dennis Tim Salazar (absent)		
City Manager	Gustavo “Gus” Cordova		
City Clerk	Veronica Martinez Lucas Gauthier		
City Attorney	Angela Pacheco		
Staff:	John Kitchen	Julian Gonzales	Ivan Guillen
	Josie Lujan	Leroy Garcia	Anthony Trujillo
	Bernadine Martinez	Leroy Archuleta	Ted Garcia
	David Bustos	Joaquin Maestas	Melissa Griego
	Susan Trujillo		

Mayor Pro Tem Lucero stated that this meeting had been reconvened from Tuesday, July 24, 2007.

The remaining items were the items from the City Attorney and the budget presentation and approval of the final budget resolution.

Mr. Cordova stated that a budget adoption resolution includes an amendment to approve the final budget adjustment requests required to balance the final budget.

MATTERS FROM THE CITY ATTORNEY

Angela Pacheco City Attorney presented to the Council, stating that she was making a recommendation and asking for permission to establish a risk committee comprised of the City Manager the City Attorney and third person yet to be decided, in order to handle different types of complaints to the City that are in the business called “nuisances”. She gave an example that if a citizen visiting City Hall tripped over a broom in the lobby and fell and broke his or her glasses, and had to visit the doctor for new glasses, etc., and wanted the city to pay for their doctor visit and replacement glasses. Such a claim would go to the committee to decide whether it should be paid in order to settle the claim instead of having a lawsuit filed against the city. She stated that most entities have a committee that has funding authority up to \$5000. She said while that may sound like a lot but it is usually easier to settle them instead of letting them file a lawsuit. It would also allow such matters to be resolved without having to call an executive session to deal with a small claim.

Mayor Pro Tem Lucero asked if budget was created for this. Ms. Pacheco stated it would be within her risk fund and that all would go before committee for claims up to \$5k. Councilor Garcia asked if a specific amount would be set-aside for those purposes. Ms. Pacheco stated that it would just be within her line item.

Councilor Herrera asked how much was in the fund. Mr. Cordova stated that there was a \$100,000 from the general fund and \$100,000 from the utility fund. Ms. Pacheco pointed out that the whole amount of \$200,000 would only cover our deductible of \$100,000 for two cases.

Ms. Pacheco further stated that the purpose is to deflect some of the possible lawsuits that are nuisance cases. Councilor Herrera asked if there were any such claims pending currently. Ms. Pacheco stated that there was one currently but that Council would have to go into executive session to discuss it. Ms. Pacheco stated that she usually doesn't see them until they become lawsuits.

Councilor Duran asked if she would put a cap on the percentage of her settlement fund to be used to settle these small claims. Spence responded that she hadn't thought of it in those terms, but if they are hit with many lawsuits, they're going to have to find more than \$200,000 anyway. Ms. Pacheco stated that she didn't know at this point what the percentage might be but would try to use those to deflect lawsuits and save money in the long run. She also stated that she would report to the council monthly if any claims are settled in this manner.

Mayor Pro Tem Lucero asked how she currently tracked tort claim notices. Ms. Pacheco responded that first they go through the City Clerk, and then are given to her. Ms. Pacheco stated that her paralegal keeps an eye out for lawsuits in most cases, but for example, with one issue, she was able to settle a claim and get a waiver of liability for a civil lawsuit.

Councilor Garcia made a motion to increase the risk fund budget, seconded by Councilor Maestas.

Councilor Garcia clarified the motion, to establish a risk committee to resolve nuisance claims and authorize funding authority for claims up to \$5000, seconded by Councilor Kain-Salazar.

Motion passed 6/0. (Mayor Pro Tem Lucero did not vote).

Final Budget Presentation and Recommendation

Mr. Cordova presented the strategic plan based on the objectives developed by staff, as well as accomplishments of each department. He stated that he purposely kept each dept to 6-8 objectives in the interest of keeping uniformity, and kept to the most important objectives for the coming year. Also included the goals that the Council considered as priorities in the fall. Mr. Cordova stated that next year staff would report on how objectives were completed and then present new objectives, a "Report Card" so to speak. Mr. Cordova apologized for the lateness of the presentation, adding that he had promised in May, delayed and set back and was unable to meet that date. Mr. Cordova asked permission to move forward and schedule another retreat with council, possibly in the fall, to create a mission statement they could take ownership of.

Mr. Cordova discussed the slides of a power point presentation beginning with the Planning Assumptions.

Mayor Maestas arrived at 7:50 p.m.

At the conclusion of the presentation, Mr. Cordova thanked staff for their input to the presentation. Mr. Cordova stated that he realized there was room for improvement, especially on the performance measurement side, adding that he was looking at scheduling performance-measurement training with staff. Mr. Cordova asked for the Governing Body's feedback, and to ask questions or areas for improvement or expansion.

Councilor Herrera yielded to a citizen with a question.

Unknown citizen stated she had attended an annexation meeting at the high school and was told that there were 800 homes without city utility services, she then asked what the cost is to connect those services. Mr. Cordova stated the plan was to prepare a ten-year ICIP plan, which will be considered by the Governing Body and the cost will be included at that time the info will be available. The Unknown citizen asked a second question, she asked about housing asking what was the plan and objectives to remove them from

troubled status. Mayor Maestas stated that one reason was simply because the audits were late, and are addressing that with the new auditors that are tied with the city's audit. Mayor Maestas added, a MOU with HUD and the city has been done to take steps to get out of troubled status, which can be provided, but one of the issues is the audit, stating that those steps should be outlined in the presentation.

Councilor Herrera continued with questions for the City Manager. Councilor Herrera asked if the objectives assume the numbers support the objectives, or the relationship. Mr. Cordova stated that the goal is to demonstrate that there are specific targets that each department will be pursuing with using the money requested, including a work hour calculation. Councilor Herrera asked what is the process regarding feedback how objectives are being met throughout the year. Mr. Cordova stated that he would meet with Department heads periodically, especially at midyear. Adding that, the best review will be at the end of the year when they present their report card. Mr. Cordova stated that his plan was to improve the measurement tools to measure performance. Councilor Herrera stated that it was a vital activity, currently missing dealing with employee evaluation, job descriptions, adding that the City needs a good evaluation program for all employees. Mr. Cordova stated that it is not included in the presentation, but is budgeted in the City Manager's budget and should include a desk audit and update of pay and classification plan, and second component a job evaluation program.

Mayor Pro Tem Lucero asked why the City Clerk's report did not include anything about a special election for redistricting. Veronica Martinez stated that the department has budgeted for the election and if it were not required the funds would be used for codification of ordinances.

Councilor Garcia asked why the planning assumption for quality of life would be set back. Mr. Cordova stated that a reduced schedule for the recreation center and reduced summer staff since then, and that he would increase as budget becomes available.

Councilor Garcia asked why the recreation budget remained the same. Mr. Cordova stated that it hasn't, it was reduced and then adjusted it in the final budget but caught it and will change it. Councilor Garcia asked since there has been no recreation director, asking if there was to be a large savings for that. Mr. Cordova stated that all savings were based off of all departments and that after the fiscal year they lose their identity and end up in the beginning cash balance.

Mayor Maestas asked about the vision and mission statements and where they came from. Mr. Cordova stated that he had borrowed them from Chris Rainwater's computer, adding that he assumed that there had been a process to create that, but will give the council an opportunity to change and adopt their own. Mayor Maestas stated that he believed there was no process, very important and should adopt their own and be action oriented.

Mayor Maestas stated that Utility services plan says we developed a capital improvements plan for water and wastewater, and they were identified by the 1/8% grt and wondered if they were set by this budget or if there would be public hearings for that to take place. Mr. Cordova stated that there has been an on going analysis to determine the costs, and will develop a way to priorities that listing and will come to council for recommendations on how to prioritize them, once approved, we can create an annual list or an overall funding package to make more improvements in a shorter period of time.

Mr. Cordova stated that General Service's department had a hard time to work on improvements at a ballpark. Mr. Cordova stated that they needed to bridge gaps within the organizational structure when projects involve multiple departments. He added that the structure and coordination needed to be looked at to make sure they are on the same page. Mayor Pro Tem Lucero agreed there was a disconnect, and they should consider putting Parks under General Services. Mayor Maestas stated that quality control was another concern, and that there is a need to have internal quality control measures within departments. He added that part of quality customer service is clean and well maintained facilities. Mayor Pro Tem Lucero mentioned that one custodian cleans city hall, public works, and convento, but should be a priority to clean those areas used by the public, then

other facilities since public is always complaining that facilities are not clean. Mr. Cordova stated that if other buildings should be included as part of custodial contract, was not bid in contract and can look to include those elsewhere. Ivan Guillen stated that the staff at the recreation department is currently cleaning the restrooms when there is just enough staff to open the doors, no custodial staff, same at Bond House, and Convento, adding that he realizes the problem but does not have the staff to address them. Mayor Pro Tem Lucero stated that it be important that those areas be included.

Councilor Duran stated that one of the priorities of council was Community Services, improved quality of life for example, did not hear about library at all. Councilor Duran stated that the Re-Grand Opening was last week and carpeting, for example, was atrocious and is not only in bad condition but is also a liability.

Mayor Maestas stated that it was a valuable exercise so that they can take ownership of the budget, and now can see that all are in same boat together. Mayor Maestas stated that the Governing Body would see every year to translate specific goals and objectives into the budget. Mayor Maestas added that the Citizen dialogue was great, but that the same questions persist. Mayor Maestas stated that the City Newsletter is great, but that there needs to be a PR person on board. Mayor Maestas called for a short break.

Break from 8:47 – 8:56

Mr. Cordova began with his presentation of the changes made to the working budget, which had been provided previously. Mr. Cordova outlined those changes, stating that assumptions were made with the working budget and hopefully meets with council approval and will work with that budget and move forward. Mr. Cordova stated that seven items needed to be changed, according to DFA.

Mayor Maestas asked if there were any questions.

Councilor Herrera asked about #4 salary schedule, regarding the average salary increase. Susan Trujillo stated that usually salary schedule is sufficient. Ms. Trujillo stated that the budget did not include a salary increase.

Mayor Maestas asked about budget priorities for upcoming year. Councilor Duran alluded to the goals and objectives developed a year ago have not been reviewed for addition, deletion or revision and would not consider these to be final. Mr. Cordova stated that it was a working document, always can review objectives. Councilor Garcia asked about #2, what is the property tax admin fee. Susan Trujillo stated that it was 1% off the top; included in the budget.

Gus proceeded to outline the changes made to the working budget:

1. \$41, 352 increase in health insurance premiums. The working copy of the budget did not reflect the 10% increase in premiums,
2. \$104,427 increases in Workers Compensation Insurance premiums. The New Mexico Self Insurers Fund has advised us of an increase in premium over last year.
3. \$18,500 carryover for the computer server and firewall installation and the backup system for city hall. This is a carryover from the 2006-2007 fiscal year.
4. \$33,254 for the increase in benefits authorized by the City Council when they approved the firefighters' contract.
5. \$18,000 carryover for the redistricting contract for the City of Española. This is a carryover from the 2006-2007 fiscal year.
6. \$18,000 for the purchase of library books. We were able to restore part of the budget cut that had been made in this department.
7. (\$35,000) decrease in the temporary positions in the recreation budget. We had reduced the number of summer positions, but had not reduced the costs in the budget.

Under discussion, Councilor Garcia stated that she thought this was fully funded for the summer lunch program. Mrs. De Herrera stated that it was fully funded, but only received a certain amount based on the number of meals served. Councilor Garcia stated she

would like to see that number. Mayor Maestas stated that the City should plan to staff the Summer Program better based on the assumption that we will have a higher number of meals served. Mrs. De Herrera stated that when they apply for the grant they couldn't anticipate for an increase, since it is based on last year's numbers. Councilor Garcia stated that she was still upset with the decrease in the \$35,000 budget for the recreation department, adding that there should have been a savings since the recreation director position had not been filled. Mayor Maestas asked to move on and stated that there would be further discussion.

8. (\$200,877) decrease in the Insurance costs to the general fund. The working copy of the budget had not allocated the distribution of the insurance costs to other departments correctly. For example, we had not charged E911, Housing, and Utilities their proportionate share of the insurance costs.
9. \$54,300 increases to provide each of our 181 full time employees in the City of Española with a one time \$300 check as compensation for the services they provide to the community.

Mr. Cordova stated that since the City couldn't provide the employees with an increase this year, he wanted to give something to the employees and had initially budgeted \$200 but found more money and was able to increase that amount to \$300. Mr. Cordova stated that he knows it is important to recognize the employees and this is what they came up with. Councilor Herrera stated that he applauds the efforts to come up with any money to provide to the employees. Councilor Herrera asked procedurally, how it would be handled with the respective bargaining units. Councilor Herrera asked Mr. Cordova to explain how the relationship between these types of salary increases and union negotiations, which are still going on. Mr. Cordova stated that it would fall under the Labor Relations Act that the appropriating authority rests with the City Council. Mr. Cordova stated that the Union can negotiate other money, but the appropriation authority is only for the City Council. Mr. Cordova stated that by appropriating this sum of money, it would become the final and best offer since that is all we have. Mr. Cordova stated that they had previously offered \$200, but found additional savings; by authorizing it becomes final and best offer. Councilor Herrera stated that it seem as a disconnect for him because negotiating with the union and appropriating money, and assumed that the bargaining units could make a decision on the offer. Councilor Herrera stated that it seems like we're preempting the negotiations. Mayor Maestas stated that it was a good gesture but was not bargaining unit-specific. Mr. Cordova stated that it is the only money available.

Mayor Pro Tem Lucero asked why did worker's comp premium increase by such a large amount. Mr. Cordova stated that it could have been worse, and it was based on history, if recall, insurance premiums are based over a 5 year period. Mr. Cordova stated that the assessment is not the past year, but back 3 years, and assessed for those claims over the past 3 years, not the past 12 months.

Councilor Duran recognized Lorenzo Sotelo of AFSCME. Mr. Sotelo introduced himself, and stated that the ground rules had been signed and agreed to. Mr. Sotelo stated that the offer violated #5 of the rules. Mr. Sotelo stated that the \$300 that has been offered had not been negotiated, and that staff has been good but the process has been preempted. Mr. Sotelo stated that the \$300 comes to the majority of city workers of about a 1% raise. Mr. Sotelo stated that workers have worked hard over the last year and as council representative, honestly believes it to be a bad faith effort, a slap in the face. Mr. Sotelo stated that in light of other entities have been offered more it was unfair, adding again that the 5th ground rule of PEBA requires good faith bargaining and does not feel that has happened.

Joaquin Maestas thanked Mr. Sotelo and stated that Mr. Sotelo does represent Council 18. Mr. Maestas added that while procedural problems had occurred that a significant amount of money has been found. Mr. Maestas stated that the employee union was looking for creative ways to look at budget to find money. Mr. Maestas stated that it was not all bad and that the union could get back to the bargaining table with support of the Governing Body to compensate the employees and not affect the budget in a significant way. Mr. Maestas stated that procedure was violated, but that they could work with other creative ways in looking at Utility funds, maybe not so far from a 3.5%. Need to get back to bargaining table. Councilor Duran asked Mr. Cordova about reports that he tried

to hire John Martinez after Council specifically told him not to and asked for the record if that is true. Mr. Cordova stated he had. Mr. Cordova stated that he had been requested from council members not to use his services, but was unaware of a mandate from the Governing Body. Councilor Herrera stated that he heard that the union also was not opposed to an aggregate amount being set aside, rather than a specific amount being given to each employee. Joaquin Maestas stated that the union would negotiate and would prefer those funds be set aside, and could be creative with the budgeting. Mr. Maestas added that the City saved 1.1 million dollars last year by vacancy savings, by employees picking up the work of others.

Councilor Herrera stated that in the spirit of ongoing negotiations, suggests that he really ask that this amount go to the union as an aggregate amount, but allow the negotiations to take their course, but sounds like we are trying to create a ceiling and does not want to preempt any negotiations.

Mayor Maestas stated that he did not think of it as a slap in the face. Mayor Maestas added that both sides are going through learning curves and have made mistakes, stating that both emotions were high, tempers have flared, but that they were learning together. Mayor Maestas stated that it does not have to have implications to the other contracts but can be a gesture to smooth things over in learning and going through this process. Mayor Maestas stated that they could also just set it aside, but since we already approved the fire contract, they are out of the sharing, and then the other non-union employees miss out as well. Mr. Cordova stated that it could be a stand-alone gesture as well. Mayor Maestas stated that there were two options to consider and decide. Joaquin Maestas added his concern that the pot could get pushed higher since the fire fighters contract stated that they could receive any pay adjustments that the other unions receive, then the precedent is set that everyone else is entitled to a 1% PERA increase. Mr. Cordova stated that the recommendation was to exclude that item from the fire fighters contract since they already received their increase. Councilor Herrera asked if the fire fighters contract included a provision that the city to be required to give them the same as all other employees. Mr. Cordova stated that he would have to look for it. Mayor Maestas stated that it was uneasy negotiating on the fly and suggested putting it aside.

10. \$54,224 transfers in from E911 to the general fund for the costs associated with their insurance premium.
11. Note: we have also included the \$250,000 (0% interest loan) awarded to the City of Española from the State Board of Finance for our holding facility.

The items not settled were the \$35,000 reduction in recreation, and the \$54,000 for bonus. Mayor Pro Tem Lucero asked if the City had received the GRT report for the ending June 30 Susan Trujillo stated that she had. Mayor Pro Tem Lucero stated that it seemed to be an old chart. Susan Trujillo stated that she had added the amounts received in June. Mayor Pro Tem Lucero asked if it had increased from last year. Susan Trujillo stated that it had.

Mayor Maestas asked about the Youth Technology Center and the budgeted \$38,000 for Utilities. City Manager Gus Cordova stated that under the MOA with the YMCA contract the Governing Body agreed upon \$38,000 as shown under professional services budget and an additional \$5,000 for building improvements. Mayor Maestas asked if it would be budgeted into a different category.

Mayor Maestas stated that the City would not be receiving anything from the COPS grant nothing for July 1 to Sept of 2008. Mrs. De Herrera stated that there was only \$9,000 left in the grant that expires in September. Mayor Maestas asked how often monies were dispersed. Mrs. De Herrera stated that it was done quarterly.

Mayor Maestas Water/ Waste Water 50-60% increase in Full Time Employees (FTE) for these depts. Marvin Martinez stated that the Water Dept had absorbed the FTE from Collections.

Councilor Herrera commented regarding the complex and difficult process, and suggested that things are done differently and better, requesting staff make recommendations to present the information and allow input as a whole council or sub-committee because he reformatted it to figure out overall what was going on in the city. For example, health insurance dept by dept is hard to figure out what was happening, which is an increase of 34%, but don't see that because of the way it is presented. Councilor Herrera stated that he also had questions about resources going into contractual services, professional services decreased but contractual services increased 300%, need to answer those questions because it could be misleading. Councilor Herrera also asked to have Mr. Cordova look more closely at the care of prisoners form 06-07 compared to 07-08; 48% increase in budget authority and nervous because it is almost a ¼ of a million dollars that may not materialize and if it does, then we are lagging behind on the care of prisoners. Councilor Herrera stated that even if we compare last year, they under expended their budget by 100K; significant and not explained or presented as to why. Councilor Herrera stated that this budget is a 13% increase from actuals spent from last year, and wants to make sure that people understand that there is almost a 10% savings, so to speak, from that which was budgeted from last year. Councilor Herrera stated that they needed to be sensitive and understand where the savings are coming from. Mr. Cordova stated that they will continue to look at that but do not want to underestimate either. Mr. Cordova stated that he was working on a 5-year financial forecast for the Council to see how the cash balances are affected.

Mayor Pro Tem Lucero questioned on Personnel Department as to why it was not budgeted for the next FY. Susan Trujillo stated that it was budgeted in Finance.

Mayor Maestas asked for Susan Trujillo to check into the salary savings from Matt Tafoya's position since it should be a vacant position at a much lower salary. Mayor Maestas stated that they also need to have a director at the recreation facility since that is how the citizens judge its government.

Mayor Pro Tem Lucero stated that she agrees that the Recreation Director needs to be reinstated because it's important, and not fair to Ivan Guillen since he is in charge of so many divisions and the whole program suffers. There was consensus to reinstate the Director.

Mayor Maestas asked about the \$54,000. Councilor Herrera stated that there are still unanswered questions, but proposed to set aside the money in the budget but allow staff to work on negotiations. Councilor Herrera added that it was the most logical and responsible way is to set it aside and let them to do the work they need to do. Councilor Herrera stated that the policy issue is whether they will authorize the \$54k, and does support that. There was consensus to set the money aside.

Mayor Maestas added that the employees have done a fantastic job of keeping costs down, and hoped to come up with more realistic goals and what will happen over the course of the next few months, vacancies should be filled and employees will be relieved of that extra burden. Mayor Maestas stated that the light at the end of the tunnel is not a train.

Mayor Pro Tem Lucero commented that employee assessments needed to be done as soon as possible, since there are some departments with too many employees and others with not enough. Mayor Pro Tem Lucero gave an example of Leroy Garcia Plaza Director pulling weeds because there were not enough people in parks to ensure the property was maintained. Mayor Pro Tem Lucero stated that the Parks department clearly needs to be increased, or other departments needed to work together. Mayor Pro Tem Lucero suggested moving employees from one department to another to fill vacancies.

Councilor Herrera suggested revisions to be made to the Budget Adoption Resolution to approve the final years BAR request to balance the previous budget and adopt the final budget.

Mayor Pro Tem Lucero made a motion to adopt Resolution 2007-43 with the proposed changes to the working copy, including those made by the Governing

Body to reinstate the Recreation Director and to set aside the \$54,000 for increases for negotiations, seconded by Councilor Garcia.

Mayor Pro Tem Lucero stated, under discussion, that it is very difficult to adopt a budget without enough time to review, and next year it would be prudent to follow the calendar. Mayor Pro Tem Lucero added that it was unacceptable that the Governing Body had limited time to review the budget and any changes, she asked that next time it would be provided to them earlier for a proper review. Mayor Pro Tem Lucero stated that she was under the assumption there would be a work session between the preliminary review and final budget, adding that she was quite dissatisfied with the process. Councilor Herrera expressed the same sentiment; he also clarified the motion. Councilor Duran echoed Mayor Pro Tem Lucero's remarks, adding that this was one of the worst budget processes. Councilor Duran stated that the Governing Body had to wait for changes and were provided with little explanation, she asked that for the next year that staff follow the calendar and more communication be done with the budget process. Mayor Maestas stated that the Governing Body should revisit the budget within the next month to see if revisions were necessary, adding that it is a working budget and for the Governing Body to keep their copies and make sure it reflects their priorities. Mayor Maestas added that if changes were needed, the Governing Body should bring them forward.

Councilor Herrera stated that he wanted it to be clear where and why the \$54,000 was set aside for. Councilor Herrera asked that it could always be revised if it was left open ended.

Motion carried 6/0.

ANNOUNCEMENTS:

Mayor Pro Tem Lucero announced that there was a New World Champion, Monica Lovato. Mayor Pro Tem Lucero stated that Eferin Sanchez was organizing a meeting for a parade for her.

Mr. Cordova stated that there would be an update on the technical review team that had met. Mr. Cordova stated that a workshop meeting would be held in August to discuss the update.

Councilor Duran made a motion to adjourn, seconded by Councilor Kain-Salazar. Motion Carried 6/0.

Meeting adjourned at 10:31 p.m.

Passed, approved and adopted on October 25, 2007.

Electronic copy – signatures on file