



City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909
www.santafenm.gov

Alan Webber, Mayor

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1
Alma G. Castro, District 1
Michael J. Garcia, District 2
Carol Romero-Wirth, District 2
Lee Garcia, District 3
Pilar F.H. Faulkner, District 3
Jamie Cassutt, District 4
Amanda Chavez, District 4

Date: January 29, 2025
To: Governing Body
Via: Randy Randall, Interim City Manager
From: Emily K. Oster, Finance Director

ACTION:

Request for Approval of a Budget Amendment Resolution (BAR) to Allocate One-Time Funding from Available General Fund Balances in the Amount of \$400,000 to Fund a Contract for Oversight and Project Management for Capital Outlay Funding Deployment (Emily K. Oster, Finance Director, ekoster@santafenm.gov).

BACKGROUND AND SUMMARY:

The City is in the process of deploying over \$100 million in capital outlay dollars from diverse funding sources including state Legislative appropriations, bond proceeds, City one-time appropriations from revenue earned over budgeted estimates and accumulated fund balances, and unspent prior year capital appropriations (i.e. carryforwards).

The Public Works Department notes that this is the most productive capital program that the City has ever had. The unusually large amount of capital outlay spending in process is attributed to diligent work to apply for and receive Federal and State grant funds available at unprecedented levels, and receipt of several years of State legislative grants in a compressed timeline as the City caught up on annual audits.

Some funds, such as Legislative appropriations and bond proceeds, have strict timelines and parameters for their expenditure and project completion. The current level of funding is significantly higher than the City has managed in recent years. Consequently, City staff face the challenge of prioritizing, managing, and expending a large volume of funds in a timely manner, all while delivering the high-quality projects that City residents and the State Legislature expect and deserve. With limited time to spend the money, the Finance Department needs a well-defined strategy to prioritize and achieve results quickly.

The Public Works Department reports that they have a process to prioritize projects to meet the Governing Body's direction in the publicly adopted ICIP, realization of elected officials' priorities, public requests for amenities and repairs, expiration dates of funding, compliance demands and existing infrastructure condition.

This BAR request would fund contractual services to provide oversight and strategic project management to the Finance Department for the deployment of capital funds. Contracting with a vendor that has this specialized expertise will help the Finance team effectively and efficiently administer capital funding.

The scope of work for the proposed contract is expected to include some or all of the following activities:

- Facilitating the development of a strategic plan for the ongoing prioritization, management, and oversight of projects funded by various capital sources within a timeline that aligns with the City's strategic goals.
- Helping City personnel clearly articulate priorities for capital deployment, the metrics used to measure performance, how each project contributes to the overall accomplishment of the goal, and reviewing the cost, schedule and sequencing of projects over time to optimize resource use.
- Guiding the development of a strategic framework outlining processes for sequencing projects to meet program objectives, while incorporating individual project evaluation criteria such as expected ROI/impact, cost, schedule duration, resource requirements, stakeholder needs, etc.
- Developing and documenting a process to ensure that the Finance Department maintains a complete and accurate listing of all funded projects and their designated funding sources, including documentation of the objectives and requirements of each funding source.
- Creating a process for optimizing the project list that prioritizes projects into waves according to planned sequencing.
- Cultivating a workload prioritization process to be utilized for legislative grant management, procurement and contracting, timing of future bond sales, and other Finance Department activities to ensure that the oldest funding appropriations are expended first and to prevent any loss of previously allocated funding.
- Performing an analysis of regional construction labor market capacity. At a high level, this could entail analyzing labor capacity in the market to deliver the portfolio of infrastructure projects the City plans to complete by investigating skilled labor requirements for the project portfolio in comparison with the regional availability of skilled labor.
- Creating a communications plan to ensure that stakeholders throughout City government understand financial parameters, funding sources, and prioritization strategies for capital outlay.

FUNDING SOURCE:

Fund Name/Number: General Fund/100

Munis Org Name/Number: Finance Administration/1001501

Munis Expenditure Object Name/Number: Professional Contracts/510300

ATTACHMENTS:

BAR
