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FINANCE COMMITTEE MEETING
Monday, October 5, 2015

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END OF CONSENT CALENDAR DISCUSSION

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MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, October 5, 2015

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 5:00 p.m., on Monday, October 5, 2015, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:
Carmichael A. Dominguez, Chair
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Ronald S. Trujillo
Councilor Christopher M. Rivera

OTHER GOVERNING BODY MEMBERS PRESENT:
Councilor Peter N. Ives

OTHERS ATTENDING:
Oscar S. Rodriguez, Director, Finance Department
Theresa Gheen, Assistant City Attorney
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Elizabeth Martin for Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

MOTION: Councilor Maestas moved, seconded by Councilor Rivera, to approve the agenda, as presented.

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

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Maestas moved, seconded by Councilor Trujillo, to approve the following Consent Agenda, as amended.

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

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CONSENT AGENDA

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6. REQUEST FOR APPROVAL OF BID NO. 15/17/B – ARMORED VEHICLE SERVICES AGREEMENT FOR VARIOUS CITY DEPARTMENTS; LOOMIS ARMORED US, LLC. (TERESITA GARCIA)

7. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO AGREEMENT BETWEEN OWNER AND ARCHITECT – CNG FUEL FACILITY UPGRADES FOR ENVIRONMENTAL SERVICES DIVISION; HUITT-ZOLLARS, INC. (MARY MacDONALD)

8. *[Removed for discussion by Councilors Rivera and Maestas]*

9. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – PLAN, DESIGN, PURCHASE AND INSTALLATION OF PLAYGROUND IMPROVEMENTS AND EQUIPMENT; LA COMUNIDAD DE LOS NINOS HEAD START. (DAVID CHAPMAN)

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

11. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SERVICES AT SANTA FE RAILYARD PARK; SANTA FE RAILYARD PARK STEWARDS. (ROBERT SIQUEIROS)

12. *[Removed for discussion by Councilor Lindell]*

13. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – NINETY (90) FIRSTVU HD BODY CAMERAS FOR POLICE DEPARTMENT; DIGITAL ALLY, INC., AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF $42,741. (PATRICK GALLAGHER) (Postponed at September 15, 2015 Finance Committee Meeting)

14. REQUEST FOR APPROVAL OF BUDGET INCREASE FOR SECTION 5303 FEDERAL TRANSPORTATION PLANNING FUNDS FOR SANTA FE METROPOLITAN PLANNING ORGANIZATION IN THE AMOUNT OF $15,386. (MARK TIBBETTS)

15. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT – SOFTWARE AND SERVICES TO UPGRADE CITY WEB-BASED MAP SERVICES; LATITUDE GEOGRAPHICS GROUP, LTD. (RENEE MARTÍNEZ)

16. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO LEASE OPERATING AGREEMENT – FOOD AND BEVERAGE SERVICES FOR RESTAURANT FACILITY AT MARTY SANCHEZ LINKS DE SANTA FE GOLF COURSE; NORTHERN VENTURES, LLC D/B/A THE LINKS BAR & GRILL. (JENNIFER ROMERO)

17. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT FOR PUBLIC MEETING FACILITATION AND PUBLIC PROCESS MANAGEMENT SERVICES FOR THE COMMUNITY HOSPITAL AND HEALTH CARE STUDY GROUP PER RESOLUTION 2014-19 WITH THE UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER (UNM-HSC) IN THE AMOUNT OF $50,000. (KATE NOBLE)

18. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF THE QUARTERLY REPORT AND ASSOCIATED FORMS/SCHEDULES REQUIRED FOR SUBMITTAL TO THE NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION/LOCAL GOVERNMENT DIVISION (DFA/LGD) FOR THE FOURTH QUARTER OF FISCAL YEAR 2014/2015. (CAL PROBASCO)

19. *[Removed for discussion by Councilor Maestas]*

20. *[Removed for discussion by Councilors Rivera and Trujillo]*

21. REQUEST FOR APPROVAL OF A RESOLUTION CREATING THE WEST SANTA FE RIVER CORRIDOR AREA MASTER PLAN AND ADOPTING IT AS AN AMENDMENT TO THE GENERAL PLAN (OR AS THE 2ND PHASE OF THE SANTA FE CITY/COUNTY SOUTHWEST AREA MASTER PLAN). (COUNCILORS BUSHEE, IVES AND LINDELL). (REED LIMING)) Committee Review: Public Works Committee (approved) 09/28/15; Planning Commission (no action taken) 10/01/15; and City Council (scheduled) 10/14/15. Fiscal Impact – Yes – $30,000 for planning consultants, including assistance with public meeting facilitation. Funds are available from the approved FY 15/16 Long Range Planning Division budget for professional services ($40,000)

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END OF CONSENT AGENDA

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5. APPROVAL OF MINUTES – AUGUST 31, 2015

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve the minutes of the Finance Committee meeting of August 31, 2015, as presented.

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

CONSENT CALENDAR DISCUSSION

8. REQUEST FOR CONCEPT APPROVAL OF SALE AND PARTIAL VACATION OF RIGHT-OF-WAY PORTION OF THE MADRID LANE RIGHT-OF-WAY CONTAINING APPROXIMATELY 7,100 SQUARE FEET AND ADJOINING THE WESTERLY BOUNDARY OF 308 MADRID LANE; BAHL REVOCABLE TRUST U/A DATED 9/12/1991. (MATTHEW O'REILLY AND EDWARD VIGIL)

Disclosure: Councilor Maestas said, "I need to make a statement before the discussion for the record. The attorney representing the party interested in purchasing the right of way, I'm a client of that attorney, so I'm going to recuse myself."

Councilor Rivera said he showed the pictures to Matthew O'Reilly that he was unable able to look at on the web page in his packet, and asked him for a description of the location of the subject site and how much property we're talking about.

Mr. O'Reilly said this small piece of property is a small stub-out piece of right of way, and is located in the Cordova Road/Barcelona Road area. He said the property is a tiny stub-out of right of way that was created by plat a long time ago, and only serves only one property and the applicant wants to purchase about 7,100 sq. ft. He said the property is too small and the configuration doesn't allow building on it.

Councilor Rivera said this is similar to the ones we've seen in the past, and asked Mr. O'Reilly if he has looked at it and is okay with this purchase.

Mr. O'Reilly said, "Yes. Absolutely, and we will see what we can do. This is a very old plat that is mostly black with white lettering so it really doesn't scan or reproduce well. He said this will have to go to the Council for final approval. As the Memo states, it's likely that the sale price of this property will be over $25,000, therefore a City ordinance will be required to sell the property. At that time, we'll try to get a more clear exhibit to accompany the sale Ordinance."

Councilor Rivera said he gets the Committee packets electronically, and if Mr. O'Reilly can't get a good picture that can scan, and he would appreciate having a copy available on the desk at the Council meeting when it comes up. He said the copy on the paper isn't very good either. He asked Mr. O'Reilly to find a way to get a good picture of what we're looking at.

Mr. O'Reilly said if the Finance Committee approves this in concept tonight, before it comes back to the Council there will be a new survey created of the property that will be much more legible.

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve this request.

VOTE: The motion was approved on a voice vote with Councilors Rivera, Trujillo and Lindell voting in favor of the motion, no one voting against and Councilor Maestas recused.

10. SANTA FE BOYS & GIRLS CLUB OF SANTA FE. (DAVID CHAPMAN)

- **REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT – ALLOCATION OF $50,000 FOR ZONA DEL SOL FACILITY.**
- **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – CITY OF SANTA FE TO ACT AS FISCAL AGENT AND PROJECT MANAGER.**
- **REQUEST FOR APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF $50,000.**

Councilor Lindell asked Mr. Chapman to speak a little bit about the budget increase request and how this all ties together with the Boys and Girls Club.

David Chapman said this is a $50,000 appropriation from the County to the Boys and Girls Club for playground equipment they will use on the basketball court. There are no matching funding from the City. He said the City is acting as the pass through fiscal agent.

MOTION: Councilor Lindell moved, seconded by Councilor Rivera , to approve this request.

CLARIFICATION OF MOTION: Chair Dominguez asked, for clarification, if the motion is to approve all 3 bulleted items, and Councilor Lindell said yes.

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

12. REQUEST FOR APPROVAL OF AGREEMENT BETWEEN OWNER AND ARCHITECT – SALVADOR PEREZ PARK PARKING LOT, CONCESSION BUILDING AND ASSOCIATED WORK; JOHN BARTON, ARCHITECTS, LLC. (JASON KLUCK)

Councilor Lindell said when she looks at this, we have a total budget on this project of $514,000, and on this contract, which is strictly design services, it is more than $121,000. She said 24% of this project is for design, and she doesn't think that leaves us enough money to complete the project and get it built. She thinks, within the budget we have, we should think about going back and changing the scope of the project, and spend the amount of money on design which allows us to complete the project. She said we end up with plans on the shelf that we can't use. She doesn't think we should enter into another project where we will be short of funds and not be able to complete it.

Jason Kluck, Facilities Division, said that is correct.

Chair Dominguez said the question is to justify these amounts to Councilor Lindell and the Committee.

Mr. Kluck said, "If you turn to Exhibit F in the packet, there is a breakdown for the design fees. So you are correct, there aren't enough funds currently to pay for design and for the entire scope of the project." He said that is a given in the RFP, he and would have find where it states that explicitly. He said the idea is that we have to have a design, and then site evaluation and the planning portion of the design will tell us how to prioritize the most drastic needs. He said the budget allocation we are doing in November actually puts on record that we need additional funding to complete the entire scope. He said even if we didn't have any design, the bond funding probably wouldn't pay for all the work that is requested.

Councilor Lindell asked Mr. Rodriguez where we think that money might come from.

Mr. Rodriguez said, "Anywhere from no idea to deficit, or to cutting another project at this point. We have not gotten to that point, and so the whole purpose of the capital budget we present to you is to make all of that clear, and that's where we begin those recommendations as well, if we have to move other money around. I think the conversation is exactly where we were hoping it would be."

Councilor Lindell said she will yield the floor if anyone else has anything to comment on it. However, she said she doesn't think it is prudent for us to move forward on a project that we know we can't fund and we know we can't complete. She said, "It doesn't make any sense to me."

Councilor Maestas said this project is in his District, and he agrees with Councilor Lindell that this seems to be the City's MO. We start design and hope that we have construction funding, and it's certainly not the way to go. He said it was recommended to us from a different study on public banking that we focus on project development separately from construction instead of trying to do both in "one fell swoop," so we definitely need to change the way we do business. He said once we do the design we'll have a more accurate cost estimate and a better idea what the budget deficit is to fully construct it. He said, "When in doubt, you phase. And I don't know if this can be phased or not."

Councilor Trujillo said he has the same question, and once we come up a design he wants to know what the shortfall is. He said we had a discussion at Public Works about using City crews. He said, "I know Councilor Lindell is introducing Legislation, and if that passes, is there a possibility of cost savings in doing that."

Mr. Kluck said, "The work that is called out in the implementation plan would largely be appropriate for a contractor in my opinion. The soccer field grass slope might be appropriate for the Locals and Parks Crews.

Councilor Rivera asked Mr. Kluck the source originally for the $500,000, and Mr. Kluck said it came from the 2012 GO Bond.

Councilor Rivera asked if the voters voted for this, and Mr. Kluck said yes.

Councilor Rivera asked if the voters voted for this amount to go specifically to this park.

Mr. Kluck said that is correct.

Councilor Rivera asked if there is any way that any of the design process could be phased in and come in under budget.

Mr. Kluck said that might be feasible if we choose to pick part of the scope and design specifically for that. For example, the design and construction of the parking lot, most likely would be in budget. He said, "The feeling is that that might not be appropriate in the big picture. I think everybody really wants to look at the Park holistically, instead of attacking it piecemeal, because that might lead to potentially undesirable results.

Councilor Rivera said if there's not enough funding to do the entire project, and we decided not to do it, what would happen with the $500,000 the voters approved to do this project.

Mr. Kluck said he believes it would go to the Council for reallocation.

Councilor Rivera said then we would decide where it would go at that point.

Mr. Rodriguez said, "So you will recall at the Council meeting, we promised we were going to come forward with a report on the 2012 Bond package, that's something that was called for in a Resolution. And with that we're going to bring forward the other projects that at this point appear to be under-funded. And what we intend to do is bring a recommendation to move funds, perhaps, from projects that have balances to projects that are in this type of situation."

Councilor Rivera said, "Just one more time Jason. So you don't think that some of the more pressing issues can be dealt with. You think that his has to be done in one 'heartfelt swoop' instead of piecemealing it together."

Mr. Kluck said, "The main issue is that the funding is not there to do a complete design and a complete implementation of the Master Plan as is written in the Bond. That's the general consensus by people that do cost estimating and do projects all the time. We could phase it, and the course that we've taken is to look at the park holistically, design-wise, get a design and implement what we can from that design. And then have a strategy to finish the park when funds become available."

Councilor Rivera said, "So at some point we went to the voters and felt this was enough money to get the project done. And obviously that's changed. Is that correct."

Mr. Kluck said, "I'm sorry, I can't answer that. I have no idea."

Councilor Rivera said he understands his colleagues' concern, and he has a hard time going against the wishes of the voters, but understands if the money is not there, this may be something we may not be able to completely fund, commenting this definitely brings him concern.

Councilor Lindell asked, "Was this project specifically called out in the Bond vote."

Mr. Kluck said, "That's my understanding. Yes."

Chair Dominguez asked what kinds of details were part of that, commenting that he has the sheet he pulled from the Parks Master Plan.

Mr. Kluck said, "In the implementation plan, I'll read it to you. The verbiage is not extensive. It says, '*Improvements to the east parking lot, upgrade concessions and restrooms, playground, irrigation and grass slope by the multi-use field in Santa Fe'*."

Councilor Lindell asked, "That was in the bond verbiage that the voters voted on. That was on the ballot."

Mr. Kluck said, "I may have mis-spoken. I don't actually know if it was on the ballot. It may have been more general than that, but it's definitely in the Master Plan and the Implementation Plan, that wording."

Chair Dominguez said, "When I look at your summary, there is also, part of the accepted proposals were that of design and constructing documents, bidding, permitting and construction and administration related to this project. Does that all have to come with the cost of what you're asking for right now."

Mr. Kluck said, "That is included. It doesn't have to be that way, but that's how it's presented.

Chair Dominguez said, "So, construction documents. Are there going to be construction documents on something we may not even be able to afford to construct. Is that true. This is how I could potentially read that."

Mr. Kluck said yes.

Chair Dominguez said, "So we would be purchasing construction documents and spending taxpayer money on something we may not even be able to afford to build."

Mr. Kluck said, "That's correct."

Chair Dominguez said, "A few minutes ago, you said that it does have to be like that. Give me an example of how it could be to kind of reduce the cost."

Mr. Kluck said, "We can amend the contract to be more specific, like Councilor Rivera was questioning. We can narrow the scope if that is the wish of the Committee and Council."

Chair Dominguez asked, What would you narrow it to. I think the point is, it's one thing to have, not even a Master Plan, but a scope of all this stuff that needs to get done, or that people want to get done. It's a different story to actually make it happen. And obviously, it's an even more complicated story

to make sure that all the "t's" are crossed and "i's" are dotted, to make sure the moneys get expended appropriately. So I want to be clear, I just want to make sure that we're all on the same page, in terms of our options. So give me a specific about how you could narrow the scope."

Mr. Kluck said, "I would like to go back to the drawing board, of course, before I give you a direct answer. But like, for example, we could look at the area around the parking lot which seems to be one of the more dire situations at that park that needs to be addressed, and design specifically for a new parking lot layout and driveway and then cost estimate that to come in budget with the Bond number."

Chair Dominguez said, "That's what this comes down to, is establishing some priorities and making sure that whatever priorities we establish, we can actually get done. Did you want to answer the question Rob."

Rob Carter, Director, Parks & Recreation Department, said we can look at it as a phase and look at our total funding for now and develop how to phase it in to get to that point and whether we need additional funding in the future to do more things there so we can meet that.

Councilor Lindell said she sees this has been passed by Public Works, so she knows it's going to Council.

MOTION: Councilor Lindell moved to not approve this request. **THE MOTION DIED FOR LACK OF A SECOND.**

Councilor Maestas said he agrees with Mr. Carter to get the design consultant on board and maybe they can give us some alternatives, depending on budget scenarios. He said we always have the possibility in the future of reallocating some of the bond funds if other projects come in under budget.

MOTION: Councilor Maestas moved, seconded by Councilor Rivera for purposes of discussion, to approve this request.

DISCUSSION: Councilor Rivera asked if we are on the right track if we bring in a design professional to help us with a phasing process and then see how much we could allocate in this process.

Mr. Kluck said yes, that would be their first task.

Councilor Ives said, in looking at packet page 37, under the Background and Summary, it says, "*Under the 2012 General Obligation Bond – Parks & Trails Implementation Plan, the amount of $514,379 is allocated to improve the east parking lot, upgrade concessions & restrooms, playground, irrigation and grass slope by the multi-use field in Santa Fe.* He noted there is work inside the building, the playground which is a separate section of Salvador Perez from inside of the building and/or the parking lots, and the irrigation, so there 5 distinct components here.

Councilor Ives continued, saying on page 38, nine different items are included in the Master Plan. So it does appear there are any number of subgroupings within the work that was contemplated most broadly

that this $514,379 could be used for. And clearly the people of Santa have said they think that is a good idea. He said he is highly in favor of finding out what we can do for those funds in getting that done. He said it does raise a not insignificant question which is how did we come to the estimate of $514,379 for all of this work, and asked if all of the work was contemplated at that time. He said Exhibit F in the back talks about the fact that 10% is the usual amount for a design fee. He said if $121,000 equals ten percent of the total, that is a cost of $1.2 million which means we were under-estimating the costs associated with this project by about 60 plus or minus percent. He said that gives him more concern, just in the general realm of how we go about estimating the amounts we want to include in our bonds for work we want to accomplish.

Councilor Ives continued, "I would like specific information. Can you pull together for me the information that went into estimating the amount that was needed in the bond. I am trying to understand that process better, because it seems again we're off by some 60% which seems like a lot."

Mr. Carter said, "I just asked someone who was originally part of that, and it was a guesstimate and they knew it was going to come in lower than where they thought it would go. A lot of the figures were guesstimates at that time. We're going to try to fill them in, but I think the idea, like you said and we talked about, is really looking at how we can phase it to get the things that are most important right now, and go from there."

Council Ives said that is a general question, noting when we do our bonding we put out information to the public about what the needs are to accomplish certain things, and it is guessing. He said he is suggesting that we need to do a much better job at understanding those costs before we go out for the Bond so we're not over-promising and under-delivering to the voters.

Chair Dominguez said the citizens' committee is not qualified to be able to indicate how much a project may cost, and they rely quite a bit on staff to come up with these guesstimates. He said staff should have a good handle on how much things will cost. He said, "Of course there is inflation, cost of construction goes up, and after we actually put out the Bond, whenever we are going to spend money, bids starts coming in higher because people know there was a pot of money out there to take from."

Councilor Trujillo asked if we have a design now on this, and Mr. Carter said we do not.

Councilor Trujillo said, "That's going to be the scope then, to find out what is most important. The way I take it, the parking lot is priority." Someone, unidentified, indicated that it is.

Councilor Trujillo said he wants to clarify that, because that's not really what the motion says. The motion is basically for approval. However, he hears staff saying that they will go back to the drawing board and prioritize and find out how best to spend the money. He asked Councilor Maestas if that is the way he understands it. He asked Councilor Maestas if he wants to articulate that in the motion to make it clear.

Councilor Maestas said, "No. I think this is very consistent with past practice of the City. Many times we're faced with projects that we know don't have sufficient construction budget. But for a project of this size, of more than half a million, we do need professional design services. I think once we get a design consultant on board, that individual can give us a design for any scenario. And consistent with what Councilor Ives said, the design consultant can look at the individual components and those could be distinct, stand alone phases. And it could fit our current construction budget. And if there is an opportunity down the road where we might benefit from reallocated Bond funds to fund those other independent phases, then we can do that. So I think it's premature to down-scope it now, until we get a designer on board."

Chair Dominguez asked, "Okay, so are you guys okay with the direction and the Motion."

The Councilors indicated that they are.

Chair Dominguez said, "I will say that really what you're asking, and I agree with it, is that again, we are going to have to make sure that project management from the onset is paid much more close attention. We rely on those experts and so does the citizens committee, to be able to come up with realistic numbers, in consideration of inflation, construction trends and such, to get the product that the public expects."

Councilor Lindell said she is unclear what the motion is.

CLARIFICATION OF THE MOTION: Chair Dominguez said, "The motion is for approval with some direction to staff to see if they can look at.... I don't want to put words in your mouth, but what I heard from staff is that they would go back to the drawing board and figure out how to reduce the cost of the proposal that is on the table right now. We're going to move forward and if there is a chance to compartmentalize, then we can do that... Unless you want to clarify that motion Councilor Maestas."

FURTHER CLARIFICATION OF THE MOTION: Councilor Maestas said, "I think then, if that was then the intent, we should look at the actual Master Plan of the project, and act on reducing the scope at the outset. And what I'm saying is, let's leave it as originally intended, consistent with the Bond issue and the public vote and await the outcome of the design recommendations."

Councilor Lindell said, "So we are moving forward to approve this, is what I heard, which is $121,000 which is 24% of the allocated money"

Chair Dominguez said, "That is the motion. Yes."

VOTE: The motion was approved on a voice vote with Councilor Maestas, Councilor Trujillo and Councilor Rivera voting in favor of the motion and Councilor Lindell voting against.

19. REQUEST FOR APPROVAL OF A RESOLUTION TO SUPPORT MEOW WOLF AND THEIR PROJECT, THE HOUSE OF ETERNAL RETURN AND EFFORTS TO DIVERSITY THE ECONOMY, REVITALIZE AN ECONOMICALLY DISTRESSED NEIGHBORHOOD AND PROVIDE A UNIQUE FAMILY ENTERTAINMENT OPTION FOR SANTA FE. (COUNCILORS RIVERA AND LINDELL). (ZACKARY QUINTERO)

A. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – WORKFORCE DEVELOPMENT AND LOCAL PRODUCT CREATION SERVICES; MEOW WOLF LLC. (ZACKARY QUINTERO)

Committee Review: Economic Development Review Subcommittee (approved) 08/04/15; City Business Quality of Life Committee (postponed) 08/12/15; City Business Quality of Life Committee (approved) 09/09/15; and City Council (scheduled) 09/30/15. Fiscal Impact – Yes. ($60,000 – funds are included in the approved budget for economic development in FY 2015/16)

Councilor Maestas said, "I want to set the record straight. I think the last time we discussed this project, I clearly voiced my support for this project. I toured it at the request of the CEO when the demolition was underway at Silva Lanes. So, all I am trying to do, and I'm not going to apologize for it, is to make sure the procurement vehicle and mechanism is legal. So that's all I'm trying to do. I want to thank staff for developing a Professional Services Agreement [PSA] that speaks specifically to all the deliverables. But when I looked at the PSA, I asked the question, should this be an exempt procurement, and these services are not available in the open market. And if so, do we need to approve it as an exempt procurement. If you noticed we had some specialty items associated with IT and telecommunications. And those are so specialized that we have to approve them as an exempt procurement. And this is not, at least in the caption, you're not asking us to approve this as an exempt procurement."

Councilor Maestas continued, "I would feel much more comfortable that this procurement does comply with State law, and that if we do have to justify it as a sole source procurement or exempt procurement, that we develop a justification for it, and carry out State Statute. I think that's my only question that I think is still unanswered. And I did submit my questions ahead of time, Mr. Chair, just to make sure we didn't take up too much time."

Chair Dominguez asked Mr. Quintero to speak to this.

Zackary Quintero, Economic Development Division, said, "Would you repeat your question in a succinct and definitive manner."

Councilor Maestas said, "I think I'll repeat the question verbatim. Should we be treating this PSA approval as an exempt procurement approval since we didn't go out for bid for these services. That's my question. Are these services not readily available in the open market, that's another question. If not, shouldn't we justify as a sole source, similar to certain IT and telecommunications services."

Mr. Quintero said, "The first part of your question is more of a legally related question, I think would be more appropriate for Legal to answer. But the second part of the question, for available workforce, not development skills, out there and what is available on the market. Traditionally, just to give the historic

context of what this PSA and Resolution is kind of combining, is what Meow Wolf is looking at, which are two traditionally separate silos of economic activity being the arts and technology sectors now combining into one. So you're seeing a new emergence of a kind of hybrid skill, so to speak. This is cross-sector application that we would be looking at with workforce development, but that's my basic understanding with it. I would like to defer to Director Noble for the rest."

Kate Noble, Interim Director, Housing & Community Development Department, said, "We have been working on this today. It was the understanding of Economic Development staff that a resolution that designated a specific entity, such as Meow Wolf, would be an exempt procurement. In discussions with Purchasing and Legal, and we will be reviewing with the City Attorney in the morning, she was off today, we have a plan, which is that we would justify and post this as a sole source tomorrow. That gives 30 days by our own City Code, that we will leave it up and allow for anyone to object to the sole source designation. Our justification would be the uniqueness of this project in Santa Fe at this time, and the introduced Resolution. And we would leave that up for 30 days. That would then allow us, assuming there are no objections to the sole source procurement method, that would allow us to, if you move it forward tonight, we would postpone bringing it to the City Council until the November 10, 2015 meeting, once the procurement was complete. The sole source 30 days would expire on November 6, 2015, assuming we get it up on October 6, 2015. We would wait to put it on the Council agenda until November 10, 2015."

Councilor Maestas said then this plan would meet State Statutes.

Ms. Noble said, "Yes. And what we would check with the City Attorney in the morning, is the understanding that Economic Development staff had that that was the designation through a Resolution. And if we need an additional procurement process, this would get us that in addition to the Resolution."

Councilor Maestas said then you asking us to approve this with the condition that we treat it as a sole source procurement, subject to State Statutes, and asked if that is correct.

Ms. Noble said, "That would suffice, yes."

Councilor Maestas said, "I'm satisfied now that we are in compliance with State Statutes, although I would like to see the actual justification for sole source. But if it's going to be advertised in the open market and open for comment, I think I will just let the open market determine whether or not they want to object, and if they think such services are available in our community. I'm willing to support it in the absence of that justification, but I am satisfied with the plan going forward."

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to approve this request, with the condition that we treat it as a sole source procurement, subject to State Statutes.

DISCUSSION: Chair Dominguez thanked Mr. Kadlubek for his enthusiasm, his involvement in the community and his willingness to get involved. He said in many ways, the City is lucky to have someone young like you. He said, however, there is a whole sector of young people who aren't quite like him. He said, "One of the things I'm looking at in the PSA, in the scope, has to do with something near and dear to my heart, and that has to do with disconnected youth. We have a large number of disconnected youth in

our community, people who aren't enrolled in the arts, or in school. Some may or not be captured in the Juvenile Justice system. There's just a whole sector of young people in this community who are not counted. And one of the things I see in this proposal is an absolute opportunity to capture some of those people who are not counted, that part of our community who many times get lost and sucked into whatever system it may be. So I don't see any specific language in here, and I don't want to negotiate the terms of the scope here tonight, but I want to see a verbal commitment or verbal indication that you will make sure that you do the best that you can to capture some of those disconnected people in our community, to engage in a project like this. The reason I'm not willing to negotiate, is because I'm not quite sure how you would implement something like that. But just a statement like that, in my opinion, would go a long way."

Vince Kadlubek thanked the team of Meow Woolfers for entering into some uncharted territory tonight. He said to answer your question, when Meow Wolf was looking at various locations in Santa Fe and around the country, we landed on the bowling alley for a lot of different reasons. But near and dear to my heart, it is within the District that I was born and raised in. I went to Chaparral, I went to Capshaw, graduated from Santa Fe High. I know District 3 and 4 much better than I know Districts 1 and 2. I have a sister and brother-in-law who live in South Meadows. Meow Wolf has done a ton of work at Ramirez Thomas, Sweeney, Ortiz and Turquoise Trail. So we have a long history of understanding where a large portion of the families are in Santa Fe. And, from my prospective, in deciding to start this project right on Rufina where it is a direct show down to a lot of where our families are in Santa Fe. It was because we were going to be supplying a new form of engagement that previously only existed in District 1 and District 2."

Mr. Kadlubek continued, "So, I'm like proud of it. I flaunt it every time I get a chance. I parade it around."

Chair Dominguez said that is geography-wide, and said, "I think I probably understand the City and the Districts a little bit better than you even, I would venture to say. But my question, specifically, is how are you going to try to capture some of those disengaged youth in our community. And let me first ask have you thought about that."

Mr. Kadlubek said, "Absolutely. Yes. Top priority."

Chair Dominguez said the location is great.

Mr. Kadlubek said their entire business model is based on affordable family entertainment opportunities, and then using that family entertain option, which will be the main attraction, to be able to capture those demographics that you speak of and have a deeper engagement with 6,000 sq. ft. that we've dedicated to arts education and to skills training. He said the model is similar to the Childrens Museum in that sense, and they wanted to promote this as a family entertainment attraction. He one thing they are missing is someone on the team who has the direct connection with the communities the Chair is speaking about. He said it is on their mind and they are going to be looking for someone, especially for an outreach coordinator that can help us bridge the gap to where we are from our perspective in that demographic.

Chair Dominguez said part of the scope is that Mr. Kadlubek will employ and do the skilled development of 40 individuals, and you also have 20 internships in there. He asked Mr. Kadlubek if he would be opposed to making that language specific in the scope to actually use that money to hire somebody who is going to be able to make those connections.

Mr. Kadlubek said, "I would not be opposed to that."

Chair Dominguez said he isn't saying we have to do this tonight, commenting he is unsure that it is legal or if it's something he would necessarily do. He said, "I would have to see the details of how the language would come out. I just wanted to hear from you whether or not you would be willing to go down that road."

Councilor Maestas asked, "When we advertise the justification for sole source, and it's available for public comment for 30 days, if there is any objection, then do we have to RFP or can we actually address any objections. Do you know what happens."

Robert Rodarte, Purchasing Officer, said, "The way we work is, the minute we have an inquiry on the sole source justification, I would have to make a determination on that particular inquiry. In the event that it does show that there is other competition in this category out there, we will have to send it out to RFP.

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

20. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO COMPLETE THE OLD PECOS TRAIL SCENIC CORRIDOR PLAN BY FOLLOWING THE NECESSARY PUBLIC PROCESS (COUNCILOR BUSHEE, MAYOR GONZALES AND COUNCILORS IVES, LINDELL AND MAESTAS). (GREG SMITH) Committee Review: Public Works Committee (no recommendation) 09/08/15; Planning Commission (no action taken) 10/01/15; and City Council (scheduled) 10/14/15. Fiscal Impact – Yes – $10,000 for professional services – meeting facilitation)

Councilor Rivera said he has a legal question about MorningStar and how the approval or support of this Resolution might affect that project that hasn't been decided.

Greg Smith, Director, Current Planning Division, said, "I'm not going to speak directly for the City Attorney's Office. That question has been raised at the Public Works Commission and the Planning Commission, and the direction has been clear that any change to a corridor plan that arose as a result of this process would be extremely unlikely to affect, in any way, the approval process for the application that has already been filed."

Councilor Rivera asked, "What if the application was delayed months beyond what anyone expects, and this Corridor Plan is approved prior to the other project coming for final approval."

Mr. Smith said, "In the extremely unlikely event that the application is still pending at the point that a Corridor Plan came in front of the Council, and at the point that Corridor Plan actually evolved into regulations, the Attorneys Office might want to review the facts at that point. Again, our judgement is that is extremely unlikely."

Councilor Rivera asked if the City Attorney's Office have an opinion, or would you rather have Kelley or Zack answer that.

Theresa Gheen, Assistant City Attorney, said, "This is the first time I've been considering this issue, so yes, I would like to have some time to think about it, so perhaps we can follow up and I can discuss this with Kelley and perhaps do some research on the issue."

Chair Dominguez said he thinks this question has been answered previously by staff.

Councilor Rivera asked if this Resolution went through Public Works.

Councilor Trujillo said, "Yes, this one did."

Councilor Rivera asked, "Do you remember that question being asked."

Councilor Trujillo said, "The question was asked, Councilor. And I'll just tell you, in my conversation with Kelley, that she had stated that MorningStar, anything we do with it, it would not be affected if this was to pass, and if this was to go, even if the process had already started from MorningStar, and accordingly we have to follow the process that we're doing right now by law. So anything we pass now would not affect MorningStar because it's going through the process now, so nothing would change. That's what I heard from Kelley, but that's the exact question I wanted to ask, but I thought Kelley would be here to just to state that as well."

Chair Dominguez said that's right, that's where he heard the question before, at Public Works. He said, "And you're right, Councilor Trujillo, basically this item right here does not impact MorningStar and our decisions there."

Councilor Rivera said there is $10,000 for mediation services and he asked the source of the funds in the budget.

Mr. Rodriguez said, "The ending balance, so cash."

Councilor Rivera asked if that is cash from the end of the last fiscal year, and Mr. Rodriguez said yes.

Councilor Rivera asked, "Wasn't that carried over to this fiscal year."

Mr. Rodriguez said, "It's cash so it hasn't been appropriated, and with this action it would be appropriating money from there.'

Councilor Rivera said, "So this is a first step in appropriating end of year cash balance."

Mr. Rodriguez said, "I don't know if it's the first step. When the money is not spent it goes to ending balance, and occasionally there would be items that staff brings to you where they have to increase their budgets, and so any increase in those budgets comes from that ending balance. It's not so much the first step, it's really the only way to do it."

Councilor Rivera asked how much money is in the end of year balance.

Mr. Rodriguez said it is approximately $8.7 million at this point, noting he will be talking about that a little later.

MOTION: Councilor Trujillo moved, seconded by Councilor Lindell, to approve this request.

DISCUSSION: Chair Dominguez asked Mr. Smith if this is a follow up on a previous direction that has been given.

Mr. Smith said, "In the General Plan adopted in 1999, there was a paragraph calling for a study of the Old Pecos Trail Corridor. The study made some progress, and we eventually were able to identify some draft regulations that resulted from that progress working with concerned citizens in the neighborhood. Initially, we had anticipated a larger scope, but am now anticipating, at the direction of the Public Works Committee and the primary sponsor of this Resolution, a much smaller scope of process that would essentially dust off the proposals that were generated in 2001 and bring them quickly to a public hearing process."

Chair Dominguez said then basically, we're going to complete what we started.

Mr. Smith said, "One of the 5 aspects of the draft Corridor Plan we adopted into the Ordinance amendment, and we will work out whether it's appropriate to... to a process where the County Commission and Councilors to decide whether the other 4 elements of these draft regulations are appropriate or not."

Chair Dominguez said he stands in support of the motion and this Resolution. He said, "But I will say what I said, even at the Public Works Committee, and that was, with all due respect to our General Plan, I think we need to reopen the General Plan and have a discussion about it. And we're going to talk about this later on, too, about economic development opportunities. But the less opportunities we have to become economically viable, then that eventually is going to have a hit on the bottom line, our finances. Having said that, it doesn't necessarily mean I'm opposed to any of that creeping into this particular proposal. But I think when we do look at our entire General Plan, we need to keep those sorts of things in mind. I know it's a totally separate issue, but I can't stress enough to say that I think that we need to open up our General Plan and have a discussion. Because the economy has changed, we've gone through some redistricting, annexation. There are a lot of things that have changed that require, in my opinion, a General Plan update."

Councilor Rivera said, "You said you would be bringing up earlier documents but in the narrative for expenditure/ revenue it says that, *'staff efforts were unable to turn up much from the last process and that you would essentially have to start from scratch'*."

Mr. Smith said, "That was drafted earlier in the process. I believe in the last 3 weeks we have been able to meet with concerned citizens who were able to produce some of the working documents that originated earlier."

Councilor Rivera asked Mr. Smith to clean up the language before it goes to Council, and Mr. Smith said he would do so.

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

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END OF CONSENT CALENDAR DISCUSSION

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DISCUSSION AGENDA

22. REQUEST FOR APPROVAL OF MASTER PLAN FOR PLANNING RENOVATIONS, IMPROVEMENTS AND EXPANSION OF THE MUNICIPAL RECREATION COMPLEX (MRC) SOCCER VALLEY FACILITY. (JASON KLUCK)

Rob Carter, Director, Parks & Recreation Department, said, "I have a brief statement and then we can open it up. The Master Plan outlines the current situation of soccer in Santa Fe, establishing the dire need for additional, dedicated soccer fields to meet current demands, and determines the capacity of the MRC area to accommodate additional fields up to 12. It provides a road map for where to allocate as funding is secured. It also outlines the issues with the current facility that needs to be addressed as improvements are made, including O& M challenges, flooding, field overuse, irrigation system repairs. Approval of the Master Plan does not put the City on the hook for the funding for the improvements. The soccer community needs the plan so that they and others can look at additional funding to get this project going. They are not asking the City for the money. They are asking for a plan to follow to find the funding. I do want to note that at the Parks and Recreation Committee [PARC] meeting last Friday, the members unanimously approved the Soccer Valley Master Plan. And I open it up for any questions."

Councilor Lindell said she wants to go backward on this to the City Council meeting of February 11, 2015, and Finance Committee of Feb 2, 2015, and find out how we got what she sees as a very very sizeable disconnect. She said in that Finance Committee meeting we were told that the approval that is before us now was for design for Phase I construction. She said Phase I construction involves mainly renovating the existing lower fields. She said then, at City Council on February 11, 2015, we had a more extensive conversation about that. She said $230,000 was appropriated for the design phase and she was told it was to be used primarily to renovate the existing fields.

Councilor Lindell continued, "I asked specifically how much of the $230,000 was going to be used on the existing fields. And we came up with a number of about $190,000 that is going to be used for the renovate and approximately $40,000 is going to design of future phases. Again, we were told very clearly that this was a design contract. And I have to say that I asked and asked how this money was to be used. And I was very clearly told that it was for renovation, and the vast majority of it was for renovation of existing fields. And honestly, this document is not about the renovation of existing fields. It's about a future plan for a new complex. And I don't know how we let a contract for $230,000 with such specifics where the process goes off the track that we end up with a product that is all about a future complex. I know we had a public meeting, but I think that's where we ended up with problems with our Bond Issues too. We had a public meeting, and the public says oh we want this. Those are the people that attended that that meeting, that's what they want, I understand that. But that's not what we were told we were buying."

Councilor Lindell continued, "And I've read this cover to cover more than once, and it's not about renovating our existing fields, and that's what we were told we were buying. So I don't know how we do this, and we have to stop doing it."

Chair Dominguez said, "I guess the question is the disconnect. What was the disconnect."

Mr. Carter said, "Let me help you a little bit on this, so you understand a little better. First of all, the total amount of money that was paid out of legislation was in the neighborhood of $425,000. The first phase, the $200,000, was going to the Master Plan. I'm proud to announce today that only a little less than $100,000 has been spent on the Master Plan, and the rest of the money will go toward renovation at the soccer complex."

Councilor Lindell asked, "You know, Mr. Carter, how could it be so poorly communicated to us, that we have a contract for $230,000, Phase I design, to be used, the vast majority of it, for the renovation of the existing field. I appreciate your explanation, but nonetheless, we have some vast gaps of communication here. And those are the things that get us into the kind of trouble we've been into for the last months. They are extremely problematic for us. We've spend hundreds and hundreds of hours going back over the Bond records, and all the problems that have been created. I'm discouraged by this."

Mr. Kluck asked, "May I comment."

Chair Dominguez said Councilor Lindell has the floor and can ask a question if she likes, or if she wants staff to comment, that is totally up to her.

Councilor Lindell said, "Go ahead and make a comment Mr. Kluck."

Mr. Kluck said, "So the contract for design you're speaking of is for almost $230,000. So the first portion of that was for the Master Plan, which is the only thing we paid for, and that was in the neighborhood of $65,000. The remaining portion of the contract is specifically for renovations of the lower fields, design of the renovations of the lower fields, so everything you said is correct. We haven't varied from that."

Councilor Lindell asked, "Why is that not clearer in my packet."

Mr. Kluck asked if that is the current packet and Councilor Lindell said yes.

Mr. Kluck said, "We are presenting the Master Plan for approval, which was the first part of the design phase as stated in the design office's contract. So we're just approving the Master Plan tonight, then we still have additional funds that are still available for further design for Phase I, which is the renovation of the lower fields. That's how the contract stands today."

Councilor Lindell said so this was $65,000.

Mr. Kluck said, "In that neighborhood, and I apologize for not bringing that binder with me, because I was already bringing two binders. I don't have the design numbers, but I believe it's in that neighborhood for the Master Plan."

Chair Dominguez said, "I don't see that number anywhere in my packet."

Mr. Kluck said, "We talking about the one from February for the design fees. I apologize I didn't bring that binder."

Chair Dominguez said, "I think what the Council is saying, and I have to agree to some extent, that when the Governing Body needs information, they/we need as much information as we can have. And even if you don't think that we need the information, I've had enough experience up here to know, that if I want to throw a wrinkle into something, I just have to look for some missing information, and there it is. There's my opportunity. I'm not saying that's what's happening here, but again, I don't see any of that in this Memo."

Councilor Lindell yielded the floor.

Councilor Rivera said, "Jason or Rob, so all the money that has come up on this $500,000, where did that money come from."

Mr. Kluck said it is "State Severance Tax Bond Grant."

Councilor Rivera said, "So it all came from the Legislature."

Mr. Kluck said yes.

Councilor Rivera asked how much of it was for design phases or design monies.

Mr. Kluck said, "There was $230,000 approved last year that's gone largely toward design at this point. Again, we haven't spent all of that, only a fraction of it. Then another $230,000 will be up for approval by Council I believe around December."

Councilor Rivera said, "So what Councilor Lindell is referring to in February, that is the first moneys that came from the Legislature that was appropriated and was used appropriately to design the Soccer Complex."

Mr. Kluck said yes, that's correct.

Councilor Rivera said, "So the next phase then would actual renovation of the existing lower fields, which is still yet to come."

Mr. Kluck that is correct.

Councilor Rivera said, "So Rob, you mentioned something about.... there was some discussion at Public Works about the BMX track, and you mentioned that at the PARC.... and again I want to thank the soccer community for being amenable to whoever was saying that they do see the value in the BMX Track and the soccer community agreed that it probably should stay and along with staff, agreed to remove that from the Master Plan itself, so the BMX Track would stay and that was approved unanimously by the PARC, is that what you said."

Mr. Carter said yes.

Councilor Rivera said, "I would like to thank all of the soccer community for being out here today, a little more than La Liga, the Santa Fe Adult Soccer League. Unfortunately, you've seen how government can make things last probably longer than it needs to be. But there are some very important questions, some very important things that have come out of this. I appreciate all of you young soccer people for coming out and for bearing with us. We really appreciate you. I don't think anybody up here doesn't appreciate you young people, and doesn't appreciate soccer and want to see things move forward in a positive direction, but obviously there's a job to do. And I appreciate my colleagues for bringing up those concerns. With that, I think this is a great project. I think the soccer community again has acquiesced to BMX and this has been approved unanimously by PARC."

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve this request.

DISCUSSION: Councilor Lindell said, "I'm just curious on approval of this Master Plan. I see this as, certainly we don't have anywhere near the amount of money that it takes forward on this Master Plan. So, we're back to approving a plan that we are not even close to having the money to implement. So when we do have the money, which who knows when that might be, I have this horrid feeling that we will have to go back and relook at and redo the Master Plan. I'm just curious, the hurry to approve the Master Plan.

Chair Dominguez said what staff has said is that soccer would like to have the Master Plan approved, so they can possibly use it to go after both public and private monies.

Mr. Kluck said that is correct.

Councilor Lindell said, "I understand that part of it, and I would love for them to go after private monies. I think in light of the preview I go from Mr. Rodriguez earlier this week, on the presentation he's going to make to us tonight, it just concerns me that this is our number one priority right now on our CIP. It's like I said that we're kind of like a family right now that has a house that has a leaky roof and a broken heater, and we're going to get a little bit of money from aunt so-and-so, and we're out looking for new bikes. I'm just terribly concerned that we are just so nowhere near right now, financially, being able to do this that, to look for a few hundred thousand dollars from the Legislature to advance this project that we can't see through, we know we can't see it through right. And to give up that money to projects that really do need that money, it just financially doesn't work for me to do that right now."

Councilor Lindell continued, "I would love to have the ability to do the entire project right now. The reality is, that we're not there. We're going to be talking tonight later on about can we keep the services we offer now and can we keep the amount of staff we have now, and do we need to raise taxes. I just think that we're way, way ahead of ourselves on these kinds of projects right now. I wish we could write the check tomorrow for it, but I don't think that's going to happen. I'll yield the floor Chair."

Councilor Maestas thanked the kids for coming and their parents for driving here and sitting through this. He said we appreciate everything you do for young kids, and they do need a place to play soccer, and it needs to be safe and adequate.

Councilor Maestas continued, "I think, Councilor Lindell, if this was a request to obligate monies to award a planning contract to develop a Master Plan I would have some concerns as well. In fact, I'm not sure I would support that. But the money has already been expended, we have a Master Plan and I think when I look through the Master Plan, I think it's a great assessment of the existing facilities, and should we get any future appropriations, we can use that as a guide, at least to kind of correct a lot of the low hanging fruit. If we get to that point, I want to make sure that any improvements we make, even in the interim that we'll get some benefit from for a certain period of time until, if and when we get additional funds to build a new facility or reconstruct the existing facility."

Councilor Maestas continued, "The money has been expended, the plan is before us, it's a roadmap, it's a goal, it's aspirational for all of our young soccer players and the active leagues and the involved parents and the organizers who don't have kids but enjoy coaching or helping to advocate for this project. That's what it takes to get things done in this community. These are trying times to get the kind of money we need on the scale we need to build-out fully this Master Plan. So we're going to have to take this one step at a time. But I think the Master Plan is a great start and it's going to be a good guide for us going forward, so I will support it."

Chair Dominguez asked Mr. Carter, "So Rob, there's a potential that we could approve this Master Plan and like many other plans, it could set on the shelf. Is that correct."

Mr. Carter said, "There is. Yes."

Chair Dominguez said, "So that is a reality right there that this is a Master Plan that potentially could sit on the shelf like many other plans we have, notwithstanding the fact that we have an organized group of people who are adamant about this facility, the use, and they will do, I'm sure, everything they can to raise both public and private monies for a facility like this. I say that, because I admire Councilor Lindell for actually speaking the truth, and because the real meat and potatoes of everything we're talking about tonight, whether previous items, this item, or items in front of us, is really the fact that our fiscal outlook is not as rosy as I wish it could or would be. It's not anyone's fault specifically, or any one administration's fault specifically, it's a culmination of lots of things, things that happened years ago to things more recently. I'm not going to get into that discussion right now. I think our job as a Governing Body is to expend public monies as best we can for the greater good of the people. I agree with you Councilor Maestas that if we were going to be utilizing monies for things you talked about, then there would be a lot more discussion that would be happening."

Chair Dominguez continued, "Now, having said that, I think that our Legislature needs to come to grips just like we have as well. There are lots of needs out there, just to pave a road. I attended a Legislative Committee meeting today, and the needs of the State of New Mexico are so profound it is unbelievable."

Chair Dominguez continued, "One of the questions I do have for you specifically, Rob, and I stand in support of this piece, but I do have a question for you. We have we have a class act, wonderful Master Plan for soccer. What document do we have to ensure that the rest of the facility is going to be just as good or maybe even better."

Mr. Carter said, "I'm sorry Councilor, I can't answer that question for you."

Chair Dominguez said that's part of the challenge we have, which is that we represent everyone. He said, "Councilor Trujillo talks about 'fair is fair,' so we want to be as fair as we possibly can be, and we need to make sure, not obviously with this document, because somebody else is paying for it, that's a good thing, well really the taxpayers are paying for it, but a different Governing Body is paying for it, we need to ensure that the rest of our facilities are just as wonderful and great, and have that kind of thought and that kind of involvement from the public that we need. So thank you for your answer."

Councilor Maestas said we hear the Legislature is thinking about taking on capital outlay reform. He said it's been attempted many time, but that won't preclude the City from reforming our own capital outlay process. He thinks in the future, we should add questions in our FIRs such as: are these planning funds, or design funds, yes or no. If yes, are there sufficient construction funds to build this project, yes or no. He said in other words a line of questions where we don't continue to approve planning and design funds in the absence of any funds for construction. He said if we go to a design, that's even more problematic, because design standards probably change more rapidly and can become more obsolete quicker than a Master Plan like this. He said we're all over the map, having approved about $1 million improvement to the Airport Terminal and we know it wasn't enough to fully renovate it. He thinks we're not making the best decisions here, and we need to focus on our own capital outlay.

Chair Dominguez said when we do our capital budget for the next year it is going to be disturbing, commenting there will be really tough decisions to make.

VOTE: The motion was approved on a voice vote, with Councilors Maestas, Trujillo and Rivera voting in favor and Councilor Lindell voting against.

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

Liza Kerr, Internal Auditor, said the Hotline was implemented in February 2015, noting they have a formed a cross-functional team within the City to help support the hotline, and they feel it is appropriate at this time to report the results of that hotline, noting the report is in the packet. She said 18 cases have been reported at this time as a result of the hotline tips, and referred to the report in the packet which summarizes the various cases that have come up. She said the Hotline representatives are listed in her Memorandum. They have met 4-5 times to discuss various cases and how to move forward with the assigning of cases, and how to document in the system. She said the system is very easy to use and they can run a lot of analytics within the system to generate reports customized to our needs.

Chair Dominguez asked if all of the costs are internal for the Police Department investigation.

Ms. Kerr asked Ms. Trujillo to speak to that point. She said she just allocates the cases.

Lynette Trujillo, Director, Human Resources Department, said they have investigated the majority of the cases in-house, but depending on the situation it might be the Police Department, or the department director, noting there has been one complaint where there is an outside investigator looking into it.

Chair Dominguez asked the criteria used to determine whether a Police Department investigation is sufficient or whether somebody else is needed.

Ms. Trujillo said it depends on the situation, noting the majority of the Police investigations involve criminal or possible criminal misconduct. She said it we think there is a conflict of interest, then they will get an outside investigator.

Chair Dominguez asked if it is ever up to the City Manager to say that a police investigation is not good enough, and elect to hire someone from the outside. At what point does the City say enough and we're not investing further time/money on a frivolous claim, or a claim where there wasn't clear policy in place.

Ms. Trujillo it is not up to the City Manager it is up to the Committee. The one case that went to external was because there were more questions that needed to be answered by the Committee.

Chair Dominguez asked the chain of command.

Ms. Trujillo said not all cases are investigated by the Police Department.

Responding to the Chair, Ms. Trujillo said the Legal Department looks at all cases as well.

Chair Dominguez said, "Basically, the Committee takes what the Police Department says into consideration and that's it."

Ms. Trujillo said if there are more questions, then we do take that information into consideration as well.

Councilor Maestas said recently, we were to approve contracts for outside investigations, one for Human Resources and one for Police.

Ms. Trujillo said if he is speaking of the PSA and the BAR that was done, because those moneys actually should have gone into HR to begin with. Instead, it went to Risk Management, so we're just shifting the monies to where they need to be placed, so we can incur the expenses if an investigation is needed by outside sources.

Councilor Maestas said he thought there were two separate contracts for outside investigations, one under the P.D. budget and one under the H.R. budget.

Ms. Trujillo said she doesn't know about the Police Department budget, but they do have a contract for outside investigators for Human Resources when there is a conflict or it is a bigger administrative investigation that what H.R. can do.

Councilor Maestas asked the protocol for triggering outside contractors for H.R. and the Police Department.

Ms. Trujillo if they have to go to an outside investigator they meet with the legal team to discuss the merits of the case to be sure we don't have internal resources, and then we will go outside, commenting they try to handle as much as possible internally.

Nancy Jimenez, Budget Administrator, Police Department, said they have outside psychologist investigators, as well as a polygrapher. She said it's mainly for new hires, and not for fraud, waste and abuse investigations.

Councilor Maestas asked how much we spend on outside investigators – budget and expenditures.

Ms. Trujillo said they have spent $2,000 to date.

Councilor Maestas said there have been problems across the country about what is public information when fraud, waste and abuse investigations are done. He asked if we have a policy with regard to what is and is not public information.

Ms. Kerr said the Committee has handled it by having HIPA requests to go through the person assigned by Legal, and they make that determination, noting a lot of people who file a report file it anonymously, and that person's identity is protected.

Councilor Maestas asked Ms. Kerr if she is involved in all investigations to some degree.

Ms. Kerr said yes, in deciding to whom to send the cases, commenting most are very straightforward in terms of the allegation.

Councilor Maestas said in the table it doesn't say whether we used outside help.

Ms. Kerr said only one case was sent for outside help.

Councilor Maestas asked if there have been many refusals from department directors to deal with cases.

Ms. Kerr said that is part of the reason that the committee was formed to begin with, noting the committee has been expanded as they need different perspectives. She said the Committee discusses the case and which would be the best department to investigate it.

Councilor Maestas thanked her for the update. He said, "I still feel like we need an independent watchdog, specifically, an office of inspector general. And as you know, I've sponsored a bill asking that there be a ballot question asking the voters to amend the Charter and create an independent Office of Inspector General. He hopes his colleagues will be open to that and let the public speak, noting it is mentioned in the Ethics Ordinance and he believes it would be of help to the City.

Councilor Rivera thanked Ms. Kerr and the Committee for the work they are doing. He said it would be interesting to see if in fraud and theft cases if that turned into any kinds of savings. He said the contract does not cost much to administer, something like $5,000 and Ms. Kerr said that is correct. He wants to think if it has paid off and if there has really been a return for our money. He would like to think in the course of a year we would have saved enough money to pay for the Hotline and related expenses.

Chair Dominguez said we want to make sure we are implementing a culture and climate in the City Hall that is not consistent with bullying. He said a hotline can be abused by people, and he trusts you are doing your due diligence and making sure those things are considered. He wants to make it clear that we are being as fair as possible, commenting the one thing we don't is to be unfair to one person and be fair to everyone else.

Chair Dominguez said he understands in the theft cases, the City Manager is the only one that can hire and fire, so the Committee just makes a recommendation.

Ms. Trujillo said the Committee does not make any recommendations to hire or fire. She said "All we do is give the information to the department director, and from there, they make their recommendation to the City Manager."

Chair Dominguez said once someone calls, it goes to the department director, and "then where is it sent by the department director, and depending on the case, it goes to the Police Department."

Ms. Trujillo said when the call comes in, Ms. Kerr delegates it to the appropriate place, so it depends on what the case is. From there, for example, if it's a department director, if we get somebody saying I saw so and so at somebody's house and they shouldn't be there, they should be at work, Constituent Services then looks up whose truck it is and they forward that information to the department director. The department director then looks into it, and depending on whether there needs to be discipline or appropriate action taken, they recommend that action to be taken.

Chair Dominguez said there are three cases that are classified as theft, noting Cases #3 and #14 have been closed, theft not proven, and asked who didn't prove the theft.

Ms. Trujillo said it could have been the Police Department or the department director, depending on the case and who is investigating.

Chair Dominguez asked if any of the three cases was guilt proven.

Ms. Trujillo said she prefers not to discuss these cases as they are personnel actions.

Chair Dominguez said he just wants to ensure that we are being as fair as possible. He said he is thinking of dropping a bill that requires reporting on the Hotline every 6 months in the spirit of transparency.

24. PRESENTATION ON CHALLENGES TO FINANCIAL SUSTAINABILITY: PERSPECTIVES ON FY 2016-2017 BUDGET.

A copy of *City of Santa Fe – Changes to Financial Sustainability: Perspectives on the FY 291502916 Budget*, is incorporated herewith to these minutes as Exhibit "1."

Chair Dominguez said, "I just want to stress to the Committee that we are not in crisis mode. And I'm reluctant to even say that, because I want to make sure that we act critically and prudently. To say that we're not in crisis mode does not mean that things are not nearing crisis. We need to make sure we do everything we need to do to not get into crisis mode. Part of the purpose of this is to make sure that we ask the tough questions. And I guess in many ways, it's kind of an informal budget hearing. It's the beginning of our budget process. And so, thank you to the public for being here, for those who are interested. And to staff and the Finance Committee, because this is the beginning of that process and ultimately to the end of hopefully a budget proposal."

Chair Dominguez continued, "My expectation is that collectively the Finance Committee can debate a budget, that we make a decision that is well educated, one that is well thought out, and really maybe even one that is bold. And I would my encourage my members, my colleagues to keep an open mind. To simply say that we do not support cuts, or simply say that we do not support revenue enhancements to me is not acceptable. It's really easy to say those things, but to actually come up with

solutions is a totally different story. And so that is why it is important for us as the Finance Committee to be as engaged as we possibly can in this process. When I say keep an open mind, I mean don't make up your minds quite yet. Let's get the information. Let's educate ourselves. Let's collectively come up with a solution. It doesn't have to be a one year solution. It could be a clear roadmap to multiple years."

Chair Dominguez continued, "I think it's exciting times. It's scary, but that's really what true leadership is about, is taking those scary times and trying to make something out of them. And to take us into the future with a plan, in this case, a budget that hopefully will address both our long term and short term needs. And so with that Oscar, dive right into it."

Mr. Rodriguez said, "It's not critical. We're not yet at crisis mode, we're a couple or few years away from it, but to be sure, every year that we don't do anything about the following year it will be bigger and we will have less and less of a runway to do anything about it. So we're in a situation at this point where we've got some runway, so long as we take some concrete steps here. This is a conversation we started way back in January, and I came to you with this. The focus is a little different here, the numbers are different and the format that I'm going to present it to you is a little different as well. Ten months later, things are different as far as the numbers go. And at that time we were focused on the General Fund you will recall, and I pointed out to you that you were in a $2.5 million deficit in the General Fund, and other funds also were in that condition. And I recommended to you that we go step by step, that we go through a process to get to being better. And so today, the General Fund is balanced, but we still have a lot more work to go, and the good news is there is some time to get there."

Mr. Rodriguez presented information from Exhibit "1," via slide presentation. Please see Exhibit "1," for specifics of this presentation.

The Committee commented and asked questions as follows:

- Councilor Maestas said he doesn't understand why we are getting this presentation, because we've already gone over this, or are we just going through the prominent components of the structural deficit, reiterating he isn't clear.

- Chair Dominguez said that's part of it, noting he sees it more for public consumption. He said he thinks we need to start from phase one. He said, "You're right, we've seen a lot of this before, but I think we take the opportunity to ask the questions we need to ask long as we don't get bogged down on anything specific, we don't have to have answers today, even, or recommendations."

- Councilor Maestas said, "As I sit here listening to Mr. Rodriguez, I recalled that we had made a decision at least as a Finance Committee, that we were going to start addressing a lot of the policy issues that have lead us to this structural deficit. The administration found a solution, we can make it work, so we kick the can down the road. And I think we all lamented about how we keep kicking the can down the road. So then we all decided this deficit is growing, particularly if we look at changing a lot of these policies that have led us to where we are today. I realize the full impact of reforming all those policies that led us to the current deficit, will have a longer lasting impact beyond this fiscal year."

- Councilor Maestas continued, "We still have the Mayor and I think myself talking about a deficit that could be closer to $20 million. We sent a message indirectly when we approved the last budget that everything is fine. We have some cash reserves and we are able to balance the budget and we threw in a Water Fund transfer. And now the sky is falling. We have a $15 million deficit. And now we're talking about, well, we can probably work it out in 2 to 3 years. And I just think we're sending a very confusing, and possibly alarming message to our community in terms of what is going on, what our priorities are, what's on our radar, what is the truth behind our deficit. Obviously, there's probably some possibility for us to balance the budget next year, but do we want to continue kicking the can down the road. So I think what's being said here is concerning me, Mr. Chairman. I just feel we need to get to work and start addressing all these...."

- Chair Dominguez said, "Councilor Maestas, I think there has not been anything, and I know you have a piece of legislation you're going to introduce today, that has prohibited anyone from this Governing Body from proposing a policy that would move the can out of the way even. So, I'm I'm really interested though, in making sure that. You're right. Everything that you have said is correct. At some point we have to get down to the policies and start debating those policies, and making sure we eventually have a balanced for this year, and for years to come. Having said that though, I do not think that we have displayed the picture, given a clear enough picture to the public about the realities. And I think the realities are that the sky is not falling, but it sure is getting ready to. The can has been kicked down the road, and the end of the road is there, to use those analogies. And what I would like, and the reason this is on the agenda is, like I said, in many ways, this is an unofficial beginning of the budget hearing process, so we can start to have those policy discussions. And everyone on the Finance Committee and the Governing Body has been invited to attend and can ask those questions as well, so we're all on the same page, and that we're not, at the last minute, the eleventh hour, the last day of our budget hearing, saying, hey wait a minute, I don't agree with that or I disagree with that. It's intended to be somewhat collective, and that's really all the intent is as far as I'm concerned."

- Councilor Maestas said he agrees and said let's hear the presentation. He said he is going to initiate legislation to correct what I believe are some of these flaws in our policies that have led us to where we are today. He hopes his colleagues will be open mind in getting started, regardless of whether we think the outlook is safe and we can make it work for the next fiscal year.

- Chair Dominguez said, "I think you are right and I commend you, because I was actually going to drop one [bill] eventually myself, sooner rather than later. With this presentation we will at least have the entire picture, in this form anyway."

- Chair Dominguez said the imbalance is obvious when you look at these numbers.

  Mr. Rodriguez said it is a problem and we don't want to be in this situation.

- Chair Dominguez said to be clear the $900,000, that is money the general fund is not paying into Solid Waste.

Mr. Rodriguez said therefore people who pay for Solid Waste pay a little extra to make that up. It is a bridging strategy, so if it doesn't show it here, let's put it over there. He said he has run this presentation by small audiences of staff who said there is a simple solution, just put that cost where there is money. And I said that's what's been happing up until now and that's not a good practice.

– Councilor Lindell asked who get the free Solid Waste services and free Wastewater services.

Mr. Rodriguez said that is the General Fund, the City organization and no one else, commenting he presumes Solid Waste doesn't pay for its own services.

– Chair Dominguez asked how much of that is the big bridging strategy we had last year by using water funds.

Mr. Rodriguez said it is the same thing, and the reason it is important to understand the problem. The idea of transferring money from the water fund is old, and it happens many different ways. The pilot that was put there was an attempt to be very transparent about it. He said this continues to happen by way of taking cash from the cash pool because of deficit funds.

– Chair Dominguez said, "If I look at the $1.196 million in nonrelated salaries in enterprise, if we go ahead and not take money from the water company, the $1.1 million is out. So essentially, whoever is being paid from that the funding is gone if we don't do this again.

Mr. Rodriguez said yes, the funding for those salaries is gone as we go into the budget next year by policy direction. He said if we are going to stop this, this is what we're stopping.

– Chair Dominguez said he wants to be sure he's following the numbers and concept.

Mr. Rodriguez said yes, and that is why it is important to understand this in these details so it's not just a general strategy of shifting costs, but it does to many different places under very specifics or logic. To reverse that, means going to each one of these things on the list.

– Councilor Lindell asked how we operate, for example, the DWI Forfeiture Program, with a deficit.

Mr. Rodriguez said the simple answer is over time we have been shifting ongoing costs to one time revenue streams. When those revenue streams do not hold up those one time costs do stay there, and this is one of those.

– Chair Dominguez they take it from somewhere else.

Mr. Rodriguez said the DWI fund is a classic example where over time it has been tied to on going and recurring costs.

– Councilor Lindell asked if these are the only funds next year that will be operating in deficit.

Mr. Rodriguez yes, as best as he can tell. He said there are other funds that are in structural deficit, so it gets to the $20 million and beyond as Councilor Maestas pointed out. However, those funds still have enough cash in them that he isn't putting them in this figure at this time. These are just the ones in cash deficit and you will need to take money from the cash pool, 45% of the owner of that cash is the Water Fund to make these whole. He said he has indicated the accumulated deficit in those funds, so this has been going on for some time.

– Chair Dominguez said so a lot of this is policy.

Mr. Rodriguez yes, it's everything over the years. This is the result of budgets being approved year after year after year, where revenue was less than expenditures. He said a lot of it is happening in Northern New Mexico where everyone is expecting the recession to end some day and when it ends, the GRT will go up again and all the problems we have will go away. He said this is a classic story of the decision made, instead of working on these problems – a bet was made that things were going to come back and so let's use cash in the meantime. This is how cash was being used.

– Chair Dominguez said the Municipal GRT for Police is the result that the GRTs aren't as large as they used to be or not as strong.

Mr. Rodriguez said that and also because costs have been put into them that didn't fluctuate with the revenue, and raises were paid out of that, and as costs increased they stayed up and revenues have gone down.

Mr. Rodriguez said in a previous Resolution, you asked for a financial plan to make the water company self sustaining. He has been working on that with our financial advisor and he will be bringing that to this Committee. He said one of the reasons he recommended that you don't go out for bonds until 2017-2018, is our per capita debt we would take to the market is significantly above what our cohorts are carrying, and so we risk a downgrade. There is another reason and that is because there is not the money to pay for extra debt, because it's been spent into a negative of $1.8 million.

Mr. Rodriguez said to be clear, you are looking at about a $12 million deficit at this time when you add the 1/12 reserve. He said there is nothing that can be solved by one policy change or two or three, or one decision, or two decisions. He said, "You are looking at a cultural change where the kinds of policies pursued and the way we manage our finances become very different. You are starting to see some of those changes already with capital planning."

– Councilor Rivera asked, regarding the numbers Mr. Rodriguez is showing this, if this isn't a definition of crisis I would like to see your definition of crisis. He said there are free services for Solid Waste and Wastewater, and asked the reason there are no Water services. He asked if the Water Division been charging City services.

Mr. Rodriguez yes, about $1.8.

- Councilor Rivera asked, "How come on one side we were doing it but on the other two, Solid Waste and Wastewater it just never happened."

  Mr. Rodriguez said answer is, "I don't know why you guys have been doing that. I don't know. In fact, I have asked that question. And the answer is reasonable for water. It's not as clear for these services. And that is, since water is so precious, people need to worry about it, see the bill, and do what is necessary to conserve water. And I would say the same is for Wastewater and for Solid Waste."

  Brian Snyder, City Manager, said, "I understand. I asked the same question. I understand PNM used to own the water company, and when it came over to the City, the City always paid PNM for the water, just like gas and electricity, so when came to the City they just kept that and kept on paying for the water services. They did not pay for Wastewater services and trash services, which were separate."

- Councilor Rivera asked, "Under GAAP procedures, isn't this something that would make sense to do in order to have your books in the right order to be able to say, these are the Wastewater or Solid Waste fees, these are where they're paying them. Even if you're just moving money from one fund to a different area, doesn't it make sense under accounting principles to really have your books in order."

  Mr. Rodriguez said yes.

- Councilor Rodriguez said what the Fire Department is paying for Wastewater services is actually billed and that money is moved from the Fire Department to Wastewater.

  Mr. Rodriguez said, "Yes, the same as water. If you're going to be a good manager you want to see what the true cost is, and if it's free you may not worry too much about it."

- Councilor Rivera asked in the audit process if they look at this and make recommendations that this accounting happen. We've had a clean audit for many years.

  Mr. Rodriguez said, "This doesn't necessarily violate an accounting principle, because at the end of the way all costs of providing Wastewater services are accounted for, and so far, so good. He said by doing this year after year the Council has pronounced policy here. And this is one of the policies, and there is no violation. The accountants would look at it and asked if there is a policy that does that, well there is a Council approval of that. And they would say that's not the best way to understand your operating cost, but it's your policy and go forward. I would recommend that we stop doing that, that those costs show up."

- Councilor Rivera said, "I don't ever recall the Council approving free Solid Waste or Wastewater services. So this has just been a process that has been happening for years, and just never questioned."

Mr. Rodriguez said, "Yes. And so the problem is that deep."

- Councilor Rivera said, "It sounds and looks to me that we are closer to crisis than you would lead us to believe. It sounds as if there are still many things within our own house that we need to fix before we can move forward with the ideas for improving that I think you are going to talk about."

  Mr. Rodriguez said, "Yes. And so again, at this point, I am not recommending any of these, I am just giving you the full inventory of the things you could consider, but I will reiterate a statement I made to you Councilor, a while back, when I said with gaps this big, I would recommend that you consider doing all of the above to some extent.

  Mr. Rodriguez then reviewed the *Options for Improving Financial Sustainability*, on page 3 of Exhibit "1." Please see Exhibit "1," for specifics of this presentation.

Mr. Rodriguez said he hopes the issue is clear enough for you. Again, it's hard to do anything about this unless you understand all the details. He said, "I want to make sure as those conversations go forward that those details are very clear. There is not a silver bullet here. Unless you are prepared to take very drastic measures to close this gap, you are looking a couple of years of doing that, and the question would be why would you take those very drastic measures if you do have some room to go to get there. With a $15 million deficit, if you were to cut $5 million each year, you will find that you are making those very hard decisions about service levels, priorities and such. You are looking at a multi-year year plan."

The Committee commented and asked questions as follows:

- Chair Dominguez asked, regarding the $3.4 million in property tax, where the City stands on its mil levy.

  Mr. Rodriguez said if you look at your tax bill, you will find the City's portion is a small piece, less than 20% of the total bill.

- Chair Dominguez said, in the case of the County and the School District, without knowing what process they went through, they're collecting on property taxes where we are not.

  Mr. Rodriguez said, "I guess a long time ago, and year after year, the policy was to rely on the GRT and so you have it. So now you are heavily reliant on GRT and all the other tools are on the side and not that effective for you at this point."

- Chair Dominguez so when we get the complaints that property taxes are high, it isn't that the City has imposed the property tax.

  Mr. Rodriguez said yes, reiterating the City's property tax is very small.

- Councilor Lindell said, "I have a few things to request of Mr. Rodriguez, and I think these are items that you would discuss with the City Manager. This is a request for information to try to move forward. I'm putting absolutely conditions on these whatsoever. One would be if we could come up with a list of inefficiencies if corrected, we might save $50,000 or more. The second would be facilities that could be merged for cost savings. Another would be, and I've talked about this before, but perhaps a list of fees that don't cover services, maybe 20 of the fees that receive the greatest amount of subsidy, and what the true financial picture of that is to the City."

- Councilor Lindell continued, "I've got a couple more. Looking at our vacancies and how the concept of vacancies could help us with the situation we're in. And a last one for me for tonight would be does it make any sense to go ahead and analysis and talk about doing any kind of buy-outs for people into retirement."

  Responding to the Chair, Mr. Rodriguez said he got that list.

- Councilor Maestas said he can see why we don't want to get off the bridge, we don't like what's on the other side. He thinks we need to get across the bridge, but he doesn't know what all that will entail. He does think it will entail a number of policy actions that need to be taken. He said he would caution everyone, this spreadsheet with the structural deficit is just a snapshot and doesn't include any of the needs we know that aren't anticipated – needs like annexation, bricks and mortar one-time, operation and maintenance, particularly in public safety. We have not factored that into our future budgets, and not even the next budget. He said there is $250,000 in operation and maintenance just for streets, pointing out there is no dedicated funding for streets. He said our facilities are another infrastructure system with multi-million deferred maintenance and needs. He said the watershed and arroyos are another infrastructure system we keep deferring. He thinks we're sticking our head in the sand when we don't face those facts. By deferring improvements on our infrastructure we are increasing the price tag and growing the gap exponentially in some cases.

- Councilor Maestas continued, saying he thinks we are in a crisis, not in terms of cash and financially, we are in a crisis in terms of addressing the expected deficit and addressing the future needs which he thinks are great. He said we need to systematically end the shell games we're still doing. He asked his colleagues to look at the transfers-in for $6.4 million. He said he will be introducing legislation basically ending that siphon by the General Fund. He said that GRT dedication was for public transportation and quality of life, but somehow the General Fund gets $1.25 million. He said the CIP we just approved, for this year and the next 3 years, has $600,000 for bus shelters. He thinks we are looking at a much higher deficit.

- Councilor Maestas continued, saying we can't forget there could be another recession next year, so we can't rest on our laurels. Okay, yes, we've been in a steady recovery, but who knows what's going to happen in terms of our GRT revenues. We are vulnerable with $53 million of $78 million. We are incredibly vulnerable thinking we have another 2 to 3 years. He said actions will speak louder than words, and he is going to try and do his part to initiate the dialogue on several fronts.

- Chair Dominguez said, "Let's see if we can get this information for Councilor Lindell. I think Councilor Maestas has good points that he brought up. I just want to remind everyone that 75% to 80% of our costs are people. We can play the shell game as much as we want, but the reality is that a majority of our costs go into salary and benefits. Having said that, I am not saying that we should start yanking people out and start laying people off and that sort of thing. And I think that your Resolution or the bill you're introducing later is a decent step in the right direction in terms of getting a good picture of what those costs are."

- Chair Dominguez continued, "I don't think that we necessarily have to do a reduction in force over the course of one year, but certainly we need to be more strategic about it and maybe doing it over the course of 2-3 years. That means that staff, the City Manager and government in general, have to learn how to be more efficient and do more with less. Really the things we've been talking about for year, and then we're going to have to do that. Unless we change our structure of government, in terms of where we rely on our source of income, that one customer, that GRT, unless we change that, we're going to really have to make tough decisions when it comes to personnel or salaries and benefits."

- Chair Dominguez continued, "Now having said that, we shouldn't forget about the revenue side either. Certainly Property Tax isn't something I want to say that I'm supporting right now, but it's definitely something we have to look at and consider. The County has done it, the School District has done it. And I'm not saying we have to it in one shot. Again, we can learn how to try to phase some of those things in if it is really the direction we want to go. I don't think anything is off the table. It is the responsibility of this Finance Committee to consider as much of those options as possible. If we can get away with doing one and not the other, and having the least impact on people, I certainly think that's what we should try to do. I will say, that in the larger scheme of things when we talk about priorities, I will say this again, and I've said it many times, my 3 priorities are our young people, our poor people and our elderly. I think we need to do whatever we can to make sure that we do not make life harder than it needs to be for our vulnerable populations. Now having said that, I don't think it's necessarily the fact that everything is off the table. If it means reorganizing Children & Youth, or our Senior Centers or Senior services. Again, all those things need to be on the table."

- Chair Dominguez continued, thanking Mr. Rodriguez for giving 'this' to us. He said 'this' is a really fancy gap sheet. It's really stuff we've seen before in different formats. And it is essentially a gap sheet, but he likes that it is different. He said, "In my opinion, it looks like an accountant did the work, which isn't necessarily a bad thing."

- Councilor Rivera said, as a part of Councilor Lindell's request, he would like to see the cost of the essential services that every City provides – police, fire, wastewater – a pricetag on that and what everything else in addition to that costs.

- Chair Dominguez said, "With all due respect, that is part of the challenge. What are essential services."

- Councilor Rivera said he wants to hone down to the essential services. He said if we look at property taxes which are low in Santa Fe, but if you look at a 1,300 sq. ft. home on Canyon Road worth $1.5 million because of its location, is that really fair in looking at the same size home in Rio Rancho for less than $100,000. We're looking at the elderly on fixed incomes in the area, noting he knows many of them that have lived there for generations, and are on very low incomes from retirements from 20-25 years ago.

- Councilor Trujillo said when we met the other day you also had another sheet, and asked Mr. Rodriguez if he could condense that and let him know exactly which ones we can "put out of their misery."

  Mr. Rodriguez said they are going to go through a process to do that. He said it is a complicated web because some of those funds, fund other things.

- Councilor Trujillo said there are several funds we can take off like the 400th Anniversary and such. This is the list he wants to see.

  Mr. Rodriguez said at a later meeting you will hear a report from the public banking consultant, who took a lot of interest in how we use our cash. An understanding we came to is, going through the list and deciding which ones should go away or merged, and what should be done with any cash left in there which is a complicated process. What they will be recommending as part of the public banking is that we go through that process to identify available cost. My response to you Councilor, we are very anxious to do that. He said when he first came here we had hundreds of funds, 411 different funds, and he is anxious to eliminate those, but it should go through a process.

- Councilor Trujillo said you put eight up ideas for us to how we can bridge this gap, so this is a good start.

  Mr. Rodriguez said that is just the inventory.

- Councilor Trujillo said he understands, and we will have additional ideas, but this is a good start, and he would say, "Let the discussion begin."

- Chair Dominguez said he is taking an inventory of all of the Committee requests, and asked Councilor Trujillo what he is requesting.

- Councilor Trujillo said he when we met previously, Mr. Rodriguez had another list, when we had the discussion and was condensing it down, those funds that had technically expired, and Mr. Rodriguez said they were going to work on it. He said, "Oscar knows that is what I was requesting."

  Mr. Rodriguez said, "A big part of that is in the budget book as well, but yes, I've got it, but it should go through a process."

- Councilor Lindell said previously Mr. Rodriguez gave us a report of employment in different areas, of other cities of our size, and asked Mr. Rodriguez if he could bring that back to us as well.

  Mr. Rodriguez said yes. He said many cities and situations like this are best by asking this question: How much do cities comparable to us pay for that, or what level of service do they provide for us.

- Chair Dominguez said the question for him is, are we here to provide services, yes. And in some cases, are we here to make sure there are services that are provided. He said to him, the question need to ask is: Is it our responsibility to keep 3 centers open, and not naming a specific center, or is it our responsibility to make sure we keep 2 centers open and providing the same quality and level of service. It is sufficient governance, and he thinks discussions are just beginning.

Chair Dominguez asked if the Committee has wishes about how to continue this discussion, if not he will continue to work with staff to make sure it is on agenda.

Councilor Maestas said at the first budget session he attended we had what were called expansion requests, and these were long standing deferred needs in IT and other departments. He thinks we need to get a sense of what the critical needs are from the department directors. He doesn't think it should be called an expansion request, and then we need to start working these needs into our budget and stop deferring them. He said it could be phasing of needs to start.

Chair Dominguez said those things cost money, and we have to keep that in mind.

Councilor Maestas said, "But I want the expansion request back and I want some kind of filtering. I want staff to assess what is absolutely critical."

Chair Dominguez said let's change the language to say we want a list of critical needs. He said we can get caught up on one word. He said that means the City Manager is going to have to really debate with us as to what is critical and what is not. He will work with staff to continue this discussion.

25. OTHER FINANCIAL INFORMATION

There was no other financial information.

26. MATTERS FROM THE COMMITTEE

A copy of Bills and Resolutions Scheduled for introduction by members of the Governing Body at the Finance Committee meeting of October 5, 2015, is incorporated herewith to these minutes as Exhibit "2."

Councilor Lindell introduced a Resolution amending Resolution 2015-50 to permit the use of City Force Account work to complete parks and related projects as authorized by the Governing Body, noting it is cosponsored by Councilors Dominguez, Trujillo and Maestas. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "3."

Councilor Maestas introduced a Resolution calling for the City of Santa Fe to institute a mandatory hiring freeze for all non-emergency, non-critical positions; and calling for this freeze to sunset on June 30, 2016.

Chair Dominguez asked if we can get a draft of his Resolution soon, and Councilor Maestas said yes.

Chair Dominguez said we need to know the anticipated fiscal impact of all of that.

Councilor Rivera said in looking at all this information, it would be nice to get to a flexible timeframe where we can start taking action, so getting information is good, and continuously receiving the information provided by Mr. Rodriguez is good. However, at some point, we need to start making tough decisions and getting to some action items. He asked if the Chair has timeframes in mind.

Chair Dominguez said there are a couple of pieces of legislation floating out there that would officially start the budgeting process as early as January, but he doesn't know how realistic that is. He said any member of the Governing Body can introduce legislation, and he would encourage that because it requires us to have the debate. So there really is no timeline. He said as we learn more and get more information, it might be appropriate for this collective body to give clear direction on some of the budgeting, commenting we will see how that goes. He said he plans on having these discussions as regularly as possible. He is unsure what the format for that will be. He said he wants to make sure the public gets in here and we have public hearings so we get a sense of what the public thinks the priorities are.

27. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 8:15 pm.

Carmichael A. Dominguez, Chair

Reviewed by:

Oscar S. Rodriguez, Finance Director
Department of Finance