MINUTES OF THE

JOINT SANTA FE CITY/COUNTY

GOVERNING BOARDS

February 20, 2015

This joint meeting of the Santa Fe County Commissioners and the City of Santa Fe Councilors was called to order on the above-cited date in the Santa Fe County Chambers, at the County Courthouse at approximately11:10 a.m. by City Mayor Javier M. Gonzales.

MAYOR GONZALES: Good morning, everybody. Welcome to the second City/County meeting. Certainly the hope is that we continue to have a dialogue on a host of issues that impact our communities collectively, so we're going to attempt to do that today. I'd like to call this meeting to order with permission of Chairman Anaya and ask for a roll call.

Roll call was called by Deputy County Clerk Vicki Trujillo and indicated the presence of the following representatives:

Commissioners Present:
Robert Anaya, Chair
Kathy Holian
Miguel Chavez

Councilors Present:
Javier M. Gonzales, Mayor
Carmichael Dominguez
Peter Ives
Signe I. Lindell
Joseph M. Maestas
Christopher Rivera
Ron Trujillo

Commissioners Excused:
Liz Stefanics
Henry Roybal

Councilors Excused
Patti Bushee
Bill Dimas

I. Opening Business

E. Opening Comments

MAYOR GONZALES: So just to get things started, it's always good to be what I call home, back in the County Commission Chambers where I was able to spend eight years representing the third district where the Chairman currently represents in the county and I was able to learn a lot and certainly be able to be a part of really I think important policies and one of the things that I had always hoped for was that there would be a way that the County and the City could work more collaboratively and to find ways to break down barriers that often keep us from enhancing the delivery of service in the most efficient and effective way possible.

I think that today we've got as much alignment as we've ever had when it comes to meeting that vision. There is friendships that are developed, long-time friendships that are developed between the County and the City, there is a common interest around economic

development, around climate change and the environment, and certainly around preserving traditions that are important to our community. And so there really is no reason to have barriers when we have so much commonality but many times they still exist. And so the hope through these meetings is that we can have an honest, constructive dialogue, that we can find common interests and work collaboratively on it. We've had some discussions regarding economic development and tourism. We have been fortunate to have Commissioner Holian as part of our climate action task force and she's been an incredible leader in that area. And so there are places where we're already started to work together and we need to continue to build on that.

And then we need to find ways to have the tough dialogue around areas that maybe there isn't a common interest or there's concern over participation in certain services. We certainly went through that process during the annexation agreements and I think that those seem to be going well so far. But there's still some issues that arise as a result of service delivery throughout the city and the county where is that boundary that exists and hopefully we can find our way through some of those tough discussions. I know the Chairman has committed to me and I have to him that we would have a continuous dialogue amongst ourselves and to be able to speak honest and frank with one another on concerns that each of the bodies have with the other and work collaboratively to overcome them the best that we can.

But today is really about being able to, one, get some updates on the economic development and the tourism initiatives that we had spoke about last time and then two, just have the dialogue amongst all of us rather than the Chair and myself setting the agenda. I think the idea was to allow an open mic, if you will, to allow each of you to offer advice and direction on things that we can work on together and certainly on things that the two governing bodies can work on collaboratively that make sense for our constituency which we share. So looking forward to this morning and certainly, Mr. Chair, thank you for the continuous effort to be there and to engage in the dialogue as we seek ways to collaboratively work together.

CHAIR ANAYA: Thank you, Mayor. I very much appreciate the open door and the open dialogue and I would concur with your comments that our goal is to collectively work through issues where you and I can maintain some communications as well as the managers and Mr. Vice Chairman Chavez but at the end of the day it's going to be important for us to do as we did in annexation, all of us in a public forum having an open dialogue to address new opportunities, like new economic development opportunities, but also, in a public forum, face some of the difficult challenges we both have and have that candid and honest dialogue about what those challenges are and how we might take steps together to work through some hopefully compromise in some of those areas.

I'm just going to provide a precursor to a few of the items that I'll be talking about that I know my colleagues will also expand on but I think there are four primary areas in addition to the economic development which we're committed to working collectively to find those opportunities and implement those opportunities I think is important. But then when we get into those tougher discussions that we focus in on those sewer and water issues that we've been in dialogue about, as well as emergency service issues, primarily issues with public safety and primarily the Regional Communications Center. And on that particular point I think there's many, many ways that we can approach it but I would say just to throw something out in the middle as a discussion point that we even have that discussion relative to the authority concept in that being an authority.

The other thing I would say is those hold-harmless provisions that are challenging, I know very much so with the City even more so than the County but they're definitely affecting us, and I think how we might take the issues that are affecting local governments and more collaboratively continue to work and build relationships at the state legislature and the congressional delegation and those initiatives. Those are a few, but I'm excited that we're here

around the table. I'm hopeful that we can stay around the table on a continuous basis and I know the Mayor is committed to that and I know that we can get all the Commissioners – Commissioner Stefanics and Commissioner Roybal couldn't be here; they're excused today. But they too have said that they're committed to this continuous and ongoing dialogue. I'd like to off the Vice Chairman an opportunity to make a few brief remarks if I could, Mayor, if that's okay.

COMMISSIONER CHAVEZ: I don't really want to go ahead of anyone but I'll take just a few minutes. There isn't much more that I want to add to the comments that the Mayor and the Chair made other than to say that we are a region, whether you're talking about promotion of tourism or providing services to those that depend on us for those services. So the regional perspective and the regional approach makes sense. I think we, in our capacity to make decisions are going to have to make decisions in the best interest of all county residents and I think we find ourselves in that challenge where we do have to represent both city and county residents. I can say and sometimes proudly say that I'm a resident of the City of Santa Fe and Santa Fe County.

And sometimes people don't factor that into the equation. We have that line that says I'm in the city and I'm in the county and we end up working at cross-purposes and that's not good. So I'm glad that the forum is provided where we can all be in the same room at the same time and we can face those challenges and the successes together. So thank you, Mayor and Chair, and thank you everyone for being here.

MAYOR GONZALES: So I think we have kind of an agenda here but if in this opening there are other comments that anyone would like to add just from an open dialogue – thoughts, ideas I think the Chairman has laid out some initiatives and certainly are on the mind of some of the Commissioners. Do we want to go into that dialogue now since we kind of opened it up a little bit just to – this is kind of the open side of it, where the Councilors and Commissioners can really kind of offer a prospective and maybe some points of view on how we begin to gauge and identify priorities that we want to work on. There's a whole slew of opportunities that we can work on together. The truth is all of us are very busy. Each of the governing boards are heavily occupied on issues that are affecting our individual constituencies, so I would suggest that we try and knock out one or two – maybe pick and easy one and a tough one or find the tough ones that we can work on together collaboratively. I think the Chairman brought up the issue of the Regional Water Authority concept and the idea, talking that through, or on the easy side of it per se, economic development seems to be something where there's strong alignment.

But this is something that the Councilors, that we haven't had a dialogue in our meetings about in terms of how we actually engage the County so I'll open it up to any Councilors.

COUNCILOR IVES: Thank you, Mr. Mayor and Commissioner Anaya and Commissioner Chavez. I suppose I would only, as we begin these discussions about the opportunities for collaboration, identify that there are any number of areas obviously where we are significantly collaborative already. I look at SWMA as an example. I look at Buckman, and I will say that the planning that is being brought forth at the state level for them Jemez y Sangre Basin water plan is another area also, perhaps not be virtue of necessarily the City or the County coming out as a primary leader but the state is compelling us to participate at various levels as they restructure some of these programs across the state. So I look forward to working with everybody on each of those fronts, finding really what works best for us currently and on into the future as arguably a lot of these issues become more interdependent.

So – and I don't know who the County's designee is to the Jemez y Sangre process and would love to know who that's going to be. If you've designated anybody currently I'm going to be trying to fulfill that capacity on behalf of the City and looking for word on the next set of meetings through the state on when that will move forward. Additionally of course we have an airport master planning process that's beginning and likewise City and County staff are

significantly on that and so another area in which collaboration is going to be readily called for on other issues that significantly impact the Santa Fe County and the City. So that's all I have.

MAYOR GONZALES: Councilor Maestas.

COUNCILOR MAESTAS: Thank you. This is definitely not low-hanging fruit. We passed a resolution and it was an expression of at least the governing body's desire to initiate a dialogue with the County regarding what was started years ago, two, three years ago, in exploring the concept of a joint City/County electric utility and we've heard all about the controversy, and it's not my intent to get into that discussion now but we did pass a resolution so my hope is that maybe, this being one of those broader, parking lot issues that maybe we can address in a subsequent meeting, and it's not to resolve the problem but simply to kind of assess where the County is with regard to that concept of continuing on that path with the City to explore a joint City/County electric utility.

Sometimes you need to make progress by ruling things out and I think that's really kind of the intent of what I'm trying to do is to determine whether or not we should continue together or not, decide whether or not we should maybe carry out the recommendations that were included in a real superficial feasibility assessment. And if the County Commission chooses to continue in this partnership with the City then we would commit to share costs and share risk only with the premise that we believe in the concept of creating a joint City/County utility. So again, this is definitely a low-hanging fruit issue but my hope is that we can specifically get it on the agenda, maybe at the next joint meeting.

MAYOR GONZALES: You know, that issue in itself is – it's a good subject for us to dialogue about a little bit now because there is a resolution that has been passed by the City that contemplates jointly pursuing this type of dialogue with the County and it would be interesting to hear from the Commissioners, not so much even to go into the issue of whether there should be a joint utility pursued or not but the issue of joint resolutions where there is an expressed desire by one governing board to collaborate with the other, if there should be some action that either concludes that decision and says yes or no. So at least it's not left out there hanging.

So it seems to me, as opposed to maybe putting it on the next agenda that with the Commission – does the Commission intend to consider the resolution for yes or no. If it's a no then there's no point in necessarily putting it on the agenda. If it's a yes then it's something to talk to, talk about a future – or is there a different way to go about expressing a desire to work collaboratively on some of these major issues, and I can think of water as being one of the next big ones that we're going to have to figure out how to find a collaborative arrangement that is going to deal with resources and deal with jurisdiction and policy that affects multiple constituencies. And I say that because the County's embarking on the relationship with the northern counties in the Aamodt delivery system, which is going to be a gigantic effort on all of your parts. I also know, being a Commissioner, that there are several independent water authorities or water groups around the county that have their own set of challenges and opportunities, and then of course there's just the business relationship or commercial relationship that exists between the City and the County in terms of the delivery of water.

So those are all things that are going to require us to find a way to work together as well. But on the point of Councilor Maestas, how would we get a response back?

CHAIR ANAYA: If I could, I would defer – actually, I think I'll defer to you now, if you'd like to make some comments, Commissioner Holian.

COMMISSIONER HOLIAN: Thank you for putting me on the spot. Let me just start off by saying that I think public power utilities have major advantages for a community because they provide a service. They're really not in it to make money. And so that gives them a certain freedom to not require that there be continuous growth. When you have an investor-

owned utility it has to pay dividends to its shareholders and what that implies is that you have to have continuous growth in your customer base. If you have a public power utility it's simply providing a service and so it doesn't require that and it means that in fact that public power utility could invest in programs to encourage people to use less energy. For example there could be programs for low-income people to help them do energy efficiency measures in their own homes so that they actually use less energy.

Also, it's kind of interesting to note that with public power utilities across the country – Los Angeles is a really great example of this – it has its own utility and actually that contributes money to the city government. They depend for a lot of their income on the income that they make from running their local public power utility and their water utility as well. But having said that, if we were to pursue this in our area the City and County would have to work together very closely; there would just be no way around that, just in a physical sense. The poles and wires go in and out of the unincorporated areas and so we would have to be able to work together very effectively.

Now, we have worked together on a number of different issues as has been mentioned, like the BDD. I think that's pretty much of a success story, and SWMA. But there are issues. And I really feel that right now we should go maybe to step one as far as investigating a public power utility and that is to direct staff to look into what kind of studies we would have to do to really understand what it would really mean for our community to do something like that. It's a major, major, major step and I really want to emphasize that. And I think in the meantime what we really need to be doing is learning how to work together more effectively. I think that we are fairly good – I don't know exactly how to put this – like for example on BDD. The BDD is a spectacular success story for our community. No question about that. And we work together because we have a board that directs the BDD. But there are issues. There are significant issues right now at the BDD.

So I think that right now we should be learning how to work together more effectively as far as the public power grid goes. I think that it's appropriate to make some initial studies. Actually, what we need to do is to study what we need to study, because it is – I just can't emphasize enough what an incredibly major step that that would be for a community to do something like this. So those are my thoughts on it.

CHAIR ANAYA: Thank you, Commissioner Holian. I just will make a few brief follow-up comments. I was – and I appreciate you allowing me to put you on the spot. I was thinking back to a Sierra Club forum when I was running for County Commissioner and all of the County Commission candidates, there was probably nine of us from a couple different districts were lined up at a table. And this question came up. And each candidate was asked, do you support a public utility? And in that forum, in that discussion my response was, no, I don't. But I have a follow-up to that response. And my follow-up was we have many issues in the county that are not done, unmet. And I talked about roads and I talked about additional senior services and I talked about youth services and then I stopped. But in this process of being a Commissioner and taking a look at where we might need to head I'm not closed to the idea, and Commissioner Holian and others have made me realize that we need to at least explore what would it take or what does it look like? But I still have in me that inherent desire to try and resolve things that are very pragmatic and for lack of a better word, very simple for people out in the public that expect services.

And so I think it's that work that I think we can do now. I think that there may be things that we haven't even pondered that we can accomplish collectively but we have some things that are underwater that we've suppressed and kept there. And I think if we could let those rise and we could address them one at a time here and put those things behind us or maybe let's put them in front of us, resolve them and then move forward. And I think the public utility and other things

can be evaluated even closer.

The last thing I would say relative to this discussion is that I think what we do, just from reading the minutes of our respective meetings is that we still have our own independent responsibilities that we have to deal with on a regular basis in our meetings and what we do in our meetings, when we get into the crux of those and budgetary decisions we focus on those and we voice some of the concerns. I'm hopeful that we can voice the concerns here face to face over time on RECC is one example. Because that's one that I get vocal and I get passionate about wanting to resolve. But I think one thing that holds us back or holds me back – maybe I'll speak for myself only – is that we always talk about what happened last year and ten years ago and seven years ago, 20 years ago. And some people in this room were part of those dialogues but many of us weren't and I think if we could all make some fundamental commitment to say we respect historically what's happened and we respect agreements that are in place, but frankly, some of them aren't working.

So if we could all sit down and look at all the agreements, both sides, and say, what are we doing now? To look at those and how might we think about those in the here and now framework as opposed to utilizing past determinations to guide our path. And so that's all that I ask, that we can try and do that.

MAYOR GONZALES: So what I hear the Commission saying is that there are clearly issues in front of us where we have a partnership. There are underlying issues that there are some burrs under the saddle that need to get resolved. If we could figure out how to work on some of these issues and learn how to get through the tough stuff then you're open to talking about what the next type of frontier might be for us. Councilor Dominguez.

COUNCILOR DOMINGUEZ: Thank you, Mayor. I'll try to be brief. Certainly I think there are some of us that are trying to get the elephants in the room recognized so I thank you very much for that. I think the sooner we do that the better. I'm not going to initially speak to the – the only thing I'm going to say about the collaboration between, or the public utility issue is that I'm often asking myself if it's our job to provide services or if it's our job to make sure services are provided and that's a whole different discussion in itself but nonetheless I think it's a discussion that needs to happen at some level.

To speak to Councilor Maestas' question or maybe it was the Mayor's question about what can the respective governing bodies do to kind of inform each other about what's on the table. One of the things that the Finance Committee is working on is I guess a finance impact statement or a legislative summary I think is Councilor Maestas referred to it as, and maybe there's something we can do in there that I guess formally recognizes that there might be a need to collaborate or that the expectation is that that piece of legislation get put in front of the County Commission or at least sent to the County Manager's Office. Something in that nature because I think it's about process. It's about process and making sure that we have things in places that we know are going to allow that certain dialogue to kind of move forward if it needs to.

I think that it's all about relationships. And you're right, Commissioner Holian. If we're going to have some of these tough discussions it's going to have to be in the context of having several meetings, not just one a year or one every quarter even, but it's going to have to be a pretty good and close relationship. And we have to put some of our differences aside for the best of the constituency which is who we represent and it kind of speaks to what Commissioner Chavez was speaking to.

One of the things that just kind of is interesting to me, Mayor, I brought this up before. It's not something that needs to necessarily happen as a result of this meeting but part of the vision I think is that there are things that the City and the County do have in common. We don't necessarily share but we have in common. Employees is one of them. We have fleets. We need gas for our fleets. And this is more of our City Manager/County Manager kind of issue. It's a

management issue, but what are those services that we have in common that could be – I do not know the mechanics of it. I don't know if the idea is practical or reasonable, but if we were to share some of those services like payroll. The same distributor for our fuel. Those sorts of things I think could be helpful. It's not necessarily a policy issue but I think that as each of our respective governing bodies and governments are realizing these fiscal constraints and stresses that we have, we need to be able to work together and work collaboratively.

Those are some of the low-hanging fruit things that I see. I think that the respective staffs get along really great. I think that they do a good job in keeping us out of trouble even a lot of times. And I think that that's one of those things that I think could happen on both sides, for lack of a better way to put it, to kind of maybe do some things together. Again, it's not something that I think needs to happen as a result of this meeting but it's part of my vision at least in terms of collaboration in the spirit of collaborating and trying to become more efficient for the constituency as well. So I'm happy to be here. Thank you everyone for hosting this meeting, and that's about it. Thank you, Mayor.

MAYOR GONZALES: I think the idea of a shared service model is something I visited with the County Manager and the City Manager on a number of occasions because of the fact that we're in need of upgrading software systems, accounting systems that the County is probably in a similar situation. We have two independent procurement processes. If we combined it think what we could do in terms of leveraging our buying power to lower the costs of goods and services. There are models all over the country where these shared service environments exist. We'd be the first in the state to actually have the City and the County develop a shared service, administrative model that takes away all the duplication that is going on and standardizes it into a single place and raises the efficiency. I would love for that to come out of this and I think that the County Manager is in a unique position because of her experience as a DFA Secretary overseeing a big accounting implementation to really help guide us. Not to put you on the spot.

But the point is we have the experience here, right? So it's not that – one of the biggest risks whenever you go into these environments is that you haven't done it before or you don't know how to do it. That's not necessarily the case I think for us here. So it is that low-hanging easy fruit. It doesn't require politics. It doesn't require philosophy to come into play or any grand scheme of things but I've got to believe that we could drive lots of efficiencies and save some money that can go into services.

COUNCILOR DOMINGUEZ: And if I can, Mayor, just real quickly on that. When I was on the Board of Education it was something that was tossed around and so it's kind of been hanging on ever since then and so without making things much more complicated because of relationships amongst two governing bodies is one thing. Amongst three would really be interesting. But they share a lot of the same things. They have a payroll. They have a fleet. So there's opportunity. So I think that whatever we can get out of it I think would be beneficial.

MAYOR GONZALES: Commissioner Chavez.

COMMISSIONER CHAVEZ: Thank you, Mayor. I wonder, back to the conversation about the idea or the concept of a publicly owned electric utility and the reasons or some of the discussion that's discussion that's driving that. One, from what I'm understanding is to reduce our dependence on coal. The other is that we could provide local jobs and keep more of that money in our local economy. The County and I think the City jointly are doing a lot on a smaller scale to retrofit fire stations and other buildings with solar panels to supplement their electricity. And so some of the reasons are good, I think. Of course it comes at a cost. And then you have the Public Service Company of New Mexico themselves that are willing to take two of the coal generated plants of line if they can recover their stranded assets for doing that. That's going to affect all of the ratepayers so that's a separate discussion that's ongoing that's still pending.

They're proposing smaller projects, 10 megawatt projects and 5 megawatt projects that are being proposed in the area. Two projects that came before the Commission at our last Commission meeting. One was tabled because of concerns I think mostly from maybe one or two of the pueblos. And then the other proposal was tabled because of the applicants, things weren't quite ready. So there are different ways that if we want to become less dependent on coal there are different ways that we can do that incrementally and still get there. I think that it doesn't mean that I'm not supportive of the concept but I'm concerned about the timing of it, the cost. And I don't think that it's real clear in the public about what it is that we're buying and the service that we're going to be providing, because I don't think that we're going to be, unless I'm wrong, I don't know that we're going to get in the business of actually generating electricity, or just buying the poles and wires that you talked about earlier that distribute that electricity. If that's the case then we would still be buying from another source that could be using all solar or nuclear generated electricity. We would just be buying it at a bulk rate and passing that through our system.

And so at that point we could be maybe doing a better job at maintaining those poles and wires and that piece of the infrastructure, keeping more of that money local. But I'm not sure, Commissioner, where that's going. So I think the study probably could clarify all of that before we go forward. But my position right now is that really, unless we do the harder things like finish annexation and deal with RECC and the other things that have been pressing, not since last year or the year before but if we talk about just annexation that talk and that discussion has been going on for quite a while. Decades.

So I don't want to discredit the concept in moving forward on that and having staff study that but I also want to know that we're going to be serious and aggressive about all the other things that are on the list. And so right now I'm saying I'm ready to pull out of that discussion until I know that we're going to be committed to all of these harder things that have been on the list, and make it harder for us to do some of the other things.

MAYOR GONZALES: Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Mr. Mayor. I just also want to add that there are some – if we really do want encourage renewable energy in our community, there are some easier, more achievable things, quicker things that we could do right now this very minute. For example, we could really put some pressure on PNM to create a true community solar project or to create a process for us doing a number of community solar projects and that's where local people can buy into solar projects and actually own solar panels. And that's primarily for people who can't put them on their own roofs. And the other thing that we could do that would not cost very much money but we're ready to do right this very minute is to have a public education campaign. Because the truth of the matter is for people who can put solar panels on their own roofs it pays off from day one. In other words, if you borrow money to put those solar panels on your roof at the current low interest rates for a significant period of time you will right from day one be saving more money on your electricity bill than you are in making payments on that loan.

And so I think we really need to get that word out and I know that we have staff in the City and the County who have a really great public advertising campaign worked out; we just need to fund it.

MAYOR GONZALES: Councilor Trujillo.

COUNCILOR TRUJILLO: Thank you. I can tell you right now I'm not for going into this purchasing PNM or purchasing our own private – we have a lot of issues within the city, ongoing issues that haven't been resolved. I too would like to get all these issues fixed before we start looking at spending millions. And right now I don't even have a cost of how much this is going to cost and when it comes down to it, who ends up – who's going to pay for it? All of our constituents. And I don't want to enter something that's telling me maybe $200, $300 million and

then to find out it's going to be $500 million. I don't know how long it's going to take our taxpayers to pay off that debt.

I'm all for renewable energy. Don't get me wrong. I think it's what we definitely need to do, but a lot of studies will have to be done. What's the cost? That's the thing. Everybody wants to say we're going to cut everything off with PNM and I have that same thing. Are we going to start generating our power? Are we going to build a generating station or are we going to go out there and technically buy it? So technically we haven't done anything. We're still, like Commissioner Chavez said, we're still purchasing this energy when we don't know where it's coming from. So that has been my biggest concern. The costs – I hear talk that we can just go in there and we can condemn stuff. My whole thing is, if you're going to condemn something under the pretense that I you condemn something when something's not happening.

Well, we're getting power. All these people that complain about PNM, complain about all these bad things that PNM does. Don't get me wrong. I'm not saying that PNM's the ideal company but what I hate about what a lot of people do is they go out there and they say, well, PNM this, and they don't realize, you know what? Those people working for PNM are your constituents in the county or our constituents in the city. They're technically putting these people down. And guess what. These are taxpayers.

You may have your quarrels about PNM but remember, when it comes down to it if we're to get all these things – no, no, no. I'm not looking at you; I'm looking at everybody. I'm just saying – I'm speaking to everybody. It's not you Kathy. I'm just saying there are a lot more pressing issues in my opinion facing the City of Santa Fe right now and I'm sure there are a lot more pressing issues facing the County of Santa Fe right now. Just to – one of the things we have, we have a homeless shelter. That's been in the news all the time, and guess what. City residents use it; county residents use it. We talk about collaborating. These are the type of things that I think I would like to see the County and the City start collaborating on. How can we make this shelter better? Are we going to move it? All these different things. Because this is something affecting everybody in this community and this county. So I'm just putting that on the table right now but I just wanted the County Commissioners to know where I stand on this issue.

MAYOR GONZALES: I'm going to need to excuse myself to speak at a luncheon but things that I am in favor of proceeding forward if the governing bodies agree. The Climate Action Task Force is going to be delivering a series of recommendations to the City. I've asked Commissioner Holian to consider bringing some of those recommendations to the County. None of it involves acquisition of utilities but it does involve what the Commissioner as talked about – education, figuring out ways to build more renewable, true community solar. All the things that we feel like we can work on today.

The second part is, Commissioner Holian, I think you said it very well in that we should get through the issues that bother us about existing agreements, whether it's the Buckman Diversion, whether it's the commercial relationship between the City and the County in the delivery of water, or whether it's the 911 system, those are issues that are present today that if we can't figure out how to collectively work together on these issues where we have – where we are bound together it's impossible to figure out how we can work on future ones.

So I'm in favor as I leave real quick to see how we can – whether we do it in the form of teams. I know that the Chairman and I have started to talk about water issues a little bit but we need to make sure we incorporate more of the governing bodies in this or we figure out a way how to do it collectively as a unit. I'm all good for all of that. But if you can excuse me, the Chairman is going to take over.

COMMISSIONER CHAVEZ: Before you leave, if you could, I want to nail one thing down, as has been for me the umbrella of all these other subset of issues whether the RECC, roads, public safety, whatever it is, and that's annexation. So I want to be clear that that's

the one thing that – there's one area that's left out. I think it's Area 18. I should know. Area 18. It's the area along West Alameda. It's left out. What we did is we moved the jagged edge, the Airport Road area over here and we need to clean that up. I'm pretty convinced that as we do that all of the other, a lot of the other issues will fall under that umbrella and we'll be able to move forward.

If we can collectively agree to do that then I think the other things like the public electric utility as it's defined for our area, because I think it's going to be a combination of things that we do, not only purchasing a utility company from somebody else but things that we can do on a local level, right? That were mentioned. Right? I'd be willing to work on those in concept and in concert, right? Knowing again that we can finalize the annexation and all the sub-issues under that and then be able to focus on the other things that we're faced with. So do I have your commitment on that, Mayor?

MAYOR GONZALES: Absolutely. Annexation, I'll follow the direction of the governing board as we go forward. I'm ready to get to work on [inaudible]

COMMISSIONER CHAVEZ: Because I think that's going to take a lot of effort on all of our parts.

CHAIR ANAYA: If I could, Commissioner Chavez, just a brief comment. When we got to the final approvals on annexation we had collectively to make some decisions as to whether or not we would continue to keep that particular piece on the table or whether or not we were ever going to get through overall annexation at all. And so I think it was the discussions collectively and the perspective of the governing board. I think the Mayor just said that, that put us in position not to have that in there. So candidly, it's something that needs to be discussed but I think that's a little more isolated to the governing body as to whether or not they have a desire collectively. So I'm not saying we take it off the table I'm just saying that that's something that the City governing body is going to have to make a decision on, not necessarily this County Commission. So I guess – because I don't want us to get into a back and forth too long on this because I think what's important for us today is that there seems to be some consensus on dealing with some difficult issues and if I could, Commissioner Chavez, Mr. Vice Chair, I'd like to ask Councilor Lindell and Councilor Rivera if they would like to chime in and provide some thoughts since they haven't had an opportunity to do so and then we can come back and expand on some other stuff.

COUNCILOR LINDELL: Councilor Dominguez, did you have something that you wanted to say germane to that conversation?

COUNCILOR DOMINGUEZ: I don't.

COUNCILOR LINDELL: You don't?

COUNCILOR DOMINGUEZ: We can make anything germane to anything in this.

COUNCILOR LINDELL: I just say you kind of –

COUNCILOR DOMINGUEZ: Well, just two things on the annexation. I think it would be beneficial because every time we get a new administration, a new governing body, whether it's the City or the County, I think it's good to have an update. So maybe one of the things that we can do to kind of start that conversation off, if you will, is to have staff prepare memos to the governing body members. It speaks to a history of what it is that we went through. I don't want to get into details about how many meetings we had but just some level of detail that kind of lays out the picture. And then also just kind of where it is that we left off, where it is that respective staffs see us as being left – where it is that we left things off at. If we can get that in a memo I think that would be helpful, at least to me anyways.

And then in terms of I think the elephants in the room and the agreements that we have, I think that it would beneficial for us to at least have hard copies of those agreements. I know I

have some. I don't have them all, but also a history of how those agreements were made. Because you're right. As new Commissioners or Councilors or administrations have come and gone there's a lot of institutional history that's been lost. So if we want to get it to a level where we can start having some significant conversation I think just a general understanding of what everything even says I think would be beneficial. Otherwise we can sit here and talk about some of these details and it may not be a very productive meeting without really knowing what it is that's on the table. And that's what it was, Councilor Lindell.

COUNCILOR LINDELL: Councilor Maestas has a burning desire.

COUNCILOR MAESTAS: I wanted to really echo what Councilor Dominguez said and in fact let's take it a bit further. Maybe what we ought to do is right these position papers that would be complete with a history but it would also have the County and the City position and that way we kind of have these and we do a read-ahead and maybe we have specific action items with respect to that issue and we can decide how we want to tee all these issues up. But I think it's a great idea. I think that's the path for us to proceed with, employing that kind of process, using these issue papers with respective positions and then a key decision that needs to be made and then I think things – some kind of a rhythm in our decision making.

And Mr. Chair, members of the joint meeting I have to excuse myself. I've got to get back to work. So thank you, Councilor Lindell for yielding the floor.

[Mayor Gonzales and Councilor Maestas left the meeting.]

COUNCILOR LINDELL: Sure. Thank you, Chair. Just a couple of things I want to talk about as a Councilor that doesn't have a long tenure. I hear us continuously talking about these hard issues and things that we have great differences on. To be perfectly honest I don't know what those are and I think that the suggestion that we bring those forward in a forthright, open manner and look at the agreements that we have is the way to proceed. It's like the elephant in the room. We have all these differences, but I don't happen to know what they are.

As for a public utility, I really appreciate Commissioner Holian's thoughts that there are other things that we can do prior to engaging in that kind of major, major, major project. That's a project of hundreds of millions of dollars. The studies that would need to be done for that, I think in the preliminary study that was done, a final study on that is past the capabilities of I think the expertise of just staff. I think the price tag on that study was in the $800,000 range. That is no small commitment for the City and the County to go into. So I appreciate that we may have some incremental things that we could do prior to that that I think we'd both like to accomplish.

So I thank you for giving me the floor, Chair, and I do look forward to continued meetings. But I think that it would be wise for us to, prior to the meetings have copies of the agreements that we have that we could specifically discuss some of those. So I'll yield the floor.

CHAIR ANAYA: Thank you, Councilor. Councilor Rivera.

COUNCILOR RIVERA: Thank you, Mr. Chair. I agree with the history of the current agreements and really not so much a copy of the current agreements but really understanding why we need change or why maybe the County feels that we need to make changes to these agreements because again, we agreed to something maybe ten years ago, but why the change? What's going on? What's happened? So that would be good to understand.

Along – I agree also with Commissioner Chavez regarding annexation issues and I think there are still projects out there that the County started that it appears that they're trying to finish that would then be part of the city and how we work on those issues and making sure that we're ready to take on the cost of those once they're complete and again continue to work on those annexation issues I think is extremely important.

The other area besides the area off Hyde Park that we didn't consider with annexation is the Hyde Park area as well, the Ski Basin area, which is in the county which the City primarily services. So can we bridge some gaps there? Councilor Trujillo brought up the homeless shelter

and can we work together on that? Again, homelessness affects everybody and I think maybe partnering together to find a long-term solution for that would also be worth discussions.

And I know Commissioner Holian has sort of taken the brunt on the municipal utility discussion and I think so much of the focus has been on PNM and really taking over and thinking of ways so that maybe PNM – so I think that really focusing on PNM is really the wrong way to go about it. I'm not sure that we need to take over PNM, take over power lines, take over their business. I think we can focus from here on out in giving people a choice. You can choose to go with PNM if you want to or maybe you participate in a municipal utility and do a community solar project within your new neighborhood or within your new area that you're building homes in and allow people to have a choice as far as what they do with utilities needs moving forward and not necessarily looking back at what PNM is doing or not doing. So that would be my hope that as we hopefully continue to talk about a municipal utility, that we focus more on taking that monopoly out and I know the City took over the water company many years ago and there was a lot of discussion about that but I don't think the water company routinely shuts off people's water. I think we try to work with people as much as possible, and I'm not sure that we get that with the current electric utility provider, and I think a municipal utility would look at people's needs and give people as much time as possible to try to catch up on their bills instead of just shutting power off. So thank you all for this discussion. I always enjoy having these meetings and I think we accomplish a lot, even if it's just discussion and getting elephants or getting those topics that are a little difficult to discuss out on the table. It's much appreciated. So thank you all.

CHAIR ANAYA: Thank you, Councilor Rivera. Councilor Dominguez.

COUNCILOR DOMINGUEZ: Just real quick. Mr. Chair, thank you very much. I'm not going to speak on behalf of the entire governing body but on my own behalf. It seems to me that the City is kind of speaking public utilities and all the other stuff. We've kind of taken that first step or a small step if you will, in doing exactly what you recommended, Commissioner Holian, that was essentially study the study. And so I wouldn't mind sharing whatever information we get from that and providing it to the County staff and the County Manager so that if there are places where collaboration can happen at least maybe it will be identified in that realm.

I think it's been said, at least at the City level in many different ways that it's really a huge effort and I think everyone recognizes that. And for me and for many people it's not just about whether or not we purchase PNM or whatever the case may be. I think it's at least get the conversation started and pushing the envelope even and getting PNM to do some of these things that I think we've kind of articulated today with regards to community solar and so on and so forth. But I think more than anything if we can share that information I think it would be beneficial and we kind of move down this path. And if we take diverging paths, so be it. But at least we have that information, that sharing of information to make some of these determinations. And so that's just my suggestion. I'm not sure if the rest of the governing body from the City feels that that information is something that they want to share. City staff is doing a lot of the work and so I think that they've done a lot of work already and so I would at least offer that on my behalf.

CHAIR ANAYA: Thank you. Councilor Ives.

COUNCILOR IVES: Thank you, Mr. Commissioner. I think that's exactly right, and again, the proposals that the Climate Action Task Force will be bringing forward as early as our next Council meeting next Wednesday are specifically intended to come to the County so that they know exactly what we're doing and thinking about doing in that regard. And again, as the person who introduced the possibility of the Santa Fe public power you have heard me say I think on at least three or four occasions, I am not proposing to buy out PNM. And I know folks love to go there because then it sounds crazy and expensive and it's a way to limit discussion on

what I think are the good ideas on how do we bring some independence to the people of Santa Fe to control their own energy future and that really is the objective here. I don't think we're going to cause anybody employed by PNM to be fired. The effort is not to try and – I would say that even if we did – and we don't have the power to buy out PNM but even if we did we'd still need those people working for the City as opposed to PNM, so again, I don't think it's a question of local jobs and the folks living in our community. I think that to me is, again, I'd describe it simply as a red herring.

So as these proposals come forward I think it's the City's intent through the task force and the participation of Commissioner Holian to make sure that everything does come to the County so you can know exactly what we're thinking and so if the Commission thinks that it's something that makes sense for the people of the county of Santa Fe of course, most of whom are city residents. Thank you.

CHAIR ANAYA: Thank you, Councilor Ives. If I could I'm going to roll some things up and then I want to ask for some – maybe a little more direction and maybe we can nail a few things down. So multiple things have been said over the course of the discussion but I think one of the things that keeps coming up again and again as we move forward with the discussion, that we need position papers associated with the next discussion, we need background agreements that provide the historical framework, and we need the action step that we're looking to achieve. Those three primary things that we are looking to help us package and bring back.

There are two things that I would suggest that we possible [inaudible] based on the discussions we've had so far and that would be those water concerns that we've been, the Manager and the Mayor and others have been discussing associated with basically the resources of the BDD that the City's been discussing with us on what we owe, and that discussion, and then I suggest we isolate the RECC as a second primary item, that we get position papers, background information and move to some more meetings. I think Councilor Dominguez, you said that, and I think we're not going to get there unless we do that. The suggestion I would offer relative to the meetings is that maybe we do need to do some committee work and we break ourselves up into two segments, a water – where Councilors and Commissioners sit on a water committee if you will, and we have a committee where we have Commissioners and Councilors that talk about RECC.

So I'll go right to Mr. Vice Chair. I just want to finish this thought process. On those issues then we bring recommendations back from the committee to the full governing bodies on both sides with recommendations and proposed action steps. The other thing that I think is resoundingly clear and coming up again and again, and I think it's multi-faceted, but annexation: Where are we with current annexation? I think is one question that we're hearing and not just in the governing bodies. Just two days ago I had a constituent in the Remuda Ridge area that was specifically talking about roads and some of the work that we had committed to doing as part of that annexation. So where are we with annexation as an update and a historical framework, and then the next steps which Commissioner Chavez is very concerned about as are others is where do we go from here with other annexations, so that if we isolate those three areas we have committees on the water, on the RECC, and then get updates on the annexation at minimum, then I think we can progress to some action on those items. Is there concurrence that we can isolate those items? Commissioner Chavez.

COMMISSIONER CHAVEZ: I would – Mr. Chair, if annexation is on the top of the list. And I say that because I get the same calls that you get and sometimes they're not calls. I'll be having breakfast with my dad at Flying Tortilla and I'm approached by the same people that are calling you that live in the Remuda Ridge area asking about their roads. And it's good; it's fine. Because they have a concern. They know that we're responsible for providing the

services. They know that we've made some general commitment to providing those services. They just want to know when it's going to happen. And so annexation for me is the lynchpin. If we do that right and we do it in a timely fashion, a lot of these discussions, a lot of these side issues, a lot of these infrastructure issues could have been taken care of.

So again, I think that – and maybe what we need to do is not put one issue on top of the other but have as you suggested maybe a committee process so that we're running two or three or parallel tracks.

CHAIR ANAYA: I guess, and I'm going to defer to the Manager or other Councilors that want to comment. In no way, Commissioner, am I downplaying the importance of annexation and the progression of what needs to happen with annexation, but when it comes down to elephants in the room associated with difficult decisions, the water is an elephant in the room absolutely right now and RECC is an elephant in the room absolutely right now. I see annexation as an issue where we want to maybe make sure we're in concert, make sure we're providing a seamless delivery of projects and a seamless transition of stuff but I guess I don't see that as something where I'm hearing Councilors that are coming to me or the Mayor saying we just don't agree. I'm hearing the Councilors, if I could, Commissioner, I'm hearing Councilors and the Mayor saying, you're right. We're working together on it. So I guess I don't see the division.

COMMISSIONER CHAVEZ: I can accept that, but what I will say to that is then I would ask for a timeline. If we're committed to something like annexation, there was to be a deadline. There were deadlines and we've amended those. We've put things off. We've delayed things. We left out one section that could have been done. So I'd like to have a general consensus and a commitment from all of the elected officials in the City and the County, and some sense, some timeline of when that might be finalized.

CHAIR ANAYA: I hear you, Commissioner Chavez. So Ms. Miller, do you want to provide some brief comments? What I'd like to do – I'm looking at the clock. What I'd like to do is get some concurrence on tracking these items and then each governing body can go back to their respective governing body and decide who wants to sit on which group and then we can work with the Managers on a reasonable timeline so we can package the history and the background. But Ms. Miller, did you want to make some comments on anything?

KATHERINE MILLER (County Manager): Mr. Chair, Commissioners, Councilors, I just want to say, I think there's two separate things relative to annexation. There's the part that has been annexed and then there's some transfer of service issues there that we are working on, and a lot of things have happened. I think it would be very good to give an update to both governing bodies because we've made quite a bit of progress. But we have a couple areas like the Agua Fria Village, what to do with open space properties, some of the public safety issues that still need to be worked out. And then there's the area which I believe Commissioner Chavez is referring to that is an outdate of when that might be. Somewhere out, I want to say it's like 2018, because I think we did the agreements in 2013, of what we called Area 1 that didn't get included in that last phase of annexation, that it would be done in the future. And that's the issue of trying to bring that forward.

And that could all be wrapped into the discussion. But I think we need to work on dealing with the stuff in the agreement, the Phase 2, that we're kind of bumping into and then look at what Phase 3 looks like. And so I think that could all be done with the same subcommittee, because it's going to be those additional issues of roads and services. And then I think you're right as far as water and RECC or public safety. We could probably break down most of the issues in those three areas and have some subgroups or subcommittees work on them, because I think we both know and our respective staff know where we've kind of run into issues that we need the governing bodies to help us get some policy decisions made as to how they want to

handle those issues.

CHAIR ANAYA: Excellent.

BRIAN SNYDER (City Manager): Mr. Chair, Councilors, Commissioners, I don't really have anything to add beyond what Katherine has stated. Annexation, as she stated we are moving forward with a phasing approach, whether it be public safety, police, fire, roads, utilities. I think we are working collaboratively within the guidelines of the agreement. There are definitely areas that we come across as Katherine alluded to, open space and trails, those kinds of things, within the city. I think Councilor Rivera spoke about a park and projects that the County is doing within the City limits that ultimately would be dedicated to the City and through either the annexation or through separate agreement those kinds of conversations I think would be valuable to have at this level.

And then the other, the RECC and the water issues that we've been talking about, we can definitely work on collaboratively, putting together some position papers as has been requested and we can present them back to this full governing body or the subgroups.

CHAIR ANAYA: So if I could, Commissioners and Councilors, if we could isolate a 60-day timeframe in which we as respective governing bodies, appoint members to three committees: water, let's call it water/wastewater committee, a public safety committee and an annexation committee, and then in 60 days have some commitments for each of those committees to have at least two meetings in the interim with recommendations coming back in those 60 days. Commissioner Holian.

COMMISSIONER HOLIAN: Mr. Chair, to the water subcommittee, I would also add stormwater management.

CHAIR ANAYA: So, water, stormwater and sewer.

COMMISSIONER CHAVEZ: On that point, Mr. Chair, the County and the City, along with the Agua Fria Village is having to do a utility corridor study in and around the Agua Fria Village on both water, wastewater and stormwater.

CHAIR ANAYA: Excellent. So I don't want to speak for anybody. Does it sound reasonable to have three committees?

COMMISSIONER CHAVEZ: And the three again would be?

CHAIR ANAYA: Water, wastewater and stormwater; public safety; and annexation.

COMMISSIONER CHAVEZ: And Mr. Chair, if everybody doesn't mind, I would like being part of the annexation committee. It's not that I'm not interested in the other things but that's what I would be more interested in right now.

CHAIR ANAYA: I think we can as governing bodies have that discussion and then take recommendations. I don't have any problem with that.

COMMISSIONER CHAVEZ: I put that out there now because I'm looking ahead a little bit and if that's the structure then I'm hoping that that's where I would maybe fit in best.

CHAIR ANAYA: Put in a plug for annexation.

COMMISSIONER CHAVEZ: Yes.

CHAIR ANAYA: Councilor Ives.

COUNCILOR IVES: Thank you, Mr. Chair. The only other item I might highlight was one that you highlighted at the very beginning with regards to the hold-harmless provisions and the impact of those provisions. We're all getting into gear on our budgetary processes and it may be worthwhile, unless staff feels comfortable sort of bringing those issues forward to have some collaborative discussion there as well, given the way the statutes currently read.

CHAIR ANAYA: I think that would be appropriate, Councilor, and maybe that's an item where we could get a background from the City and the County perspective at the next overall meeting so that we could progress there. Councilor Trujillo.

COUNCILOR TRUJILLO: Thank you, Mr. Chair. Brian, I want to ask once you compile all the agreements, all that between the County and City, and I know the Commissioner just said to have that 60-day, I'm looking at maybe possibly we could bring that information before the Public Works, not at the next meeting, possibly the meeting after that. Because I know it's probably going to take some time to get that, because I would like just the Councilors on that committee to at least aware of what's coming up if we're going to do the 60-day timeframe before we even have these committees, so we can get that to Public Works, just as a discussion item.

MR. SNYDER: Councilor Trujillo, I can work on doing that. What Katherine and I were just talking about is the 60-day timeframe and potential outcomes of what we pull together, budget timeframes when things are due. We're bumping up against that.

CHAIR ANAYA: Do you guys want to go 90? I think, going to what the Mayor said, I think that if we're going to do this it's going to entail some work and we want to keep momentum, so do you have some comments on that, Councilor Dominguez?

COUNCILOR DOMINGUEZ: Thank you very much. I think whether it's 60, 90 – I'm not quite sure what it is. I'd like to ask the Commission to please be a little respective of the workload that not only the staffs have but at least the City Council has because it can be pretty taxing. But what I think, and again, I'm not going to speak on behalf of the governing body, but maybe what we can do – just a thought – is assign our Public Works Committee to kind of be that subcommittee. I don't know. I'm just thinking out loud, but I think it might be a way to kind of make sure that it stays on our radar, if you will, and kind of give some design or some parameters to who is actually going to be on all these separate committees. It's just a though that I have. I don't know.

I know that as far as I'm concerned, if I have one more meeting – not that they're not worth it. I think that they're very important and meetings that need to happen, but we could, it could become pretty strainful. We want to make sure that we get the best out of everything. So I would just offer those comments.

CHAIR ANAYA: I appreciate it, Councilor. I think we have to isolate some time frame, whether we utilize maybe existing tools and then we figure out if our Commissioners can participate during those timeframes. I think we'll have to work out those logistics. So Ms. Miller, Mr. Snyder, keeping in mind we want to get to a point in our resolution but we don't want to impose too much too fast, what are your recommendations on a timeline?

MS. MILLER: Mr. Chair, Commissioners, Councilors, I think one of the biggest problems, there are some things due to statutory timeframes, the legislature, our budget cutoff timeframes are going to push faster than others. So I know that's a vague answer but I guess what I'm getting at is things like hold-harmless GRTs or initiatives that we would want to include in our budget, or those types of things are going to move faster than, say, by subject matter within a subject matter than each subject matter. So it's hard for me to say. I would like to say we could certainly put position papers on these together a little faster but whether we can get together and have collaborative committee discussions is going to be the harder thing before certain deadlines will come up for those respective bodies.

CHAIR ANAYA: So I guess just hearing that, there's elephants in the room but we really don't have time to address them right now. So I guess I would respectfully say that let's allow the process to go forward with some appointments to the committees, taking into consideration existing tools, I would concur with that. Existing mechanisms to have the meetings and then just have a commitment and maybe – I guess what I would ask from the County perspective if you're going forward I would ask for an agenda item on every Board of County Commission meeting that provides the Commissioners with an update on our collective progress. If that's the will of the Mayor and the Council then you guys could consider that. But I'm going

to ask that we put that on our agenda and that we allow those committees to be set up and take into consideration some options on how to package those, and then we evolve into more specific deadlines as we progress. Does that sound reasonable?

COMMISSIONER CHAVEZ: Mr. Chair.

CHAIR ANAYA: Mr. Vice Chair.

COMMISSIONER CHAVEZ: I'm wondering, there are some things that are going to have their own timelines and then there are other things that might fall outside of that, like this water agreement. I think that may have to run its own course because of the need to take care of business, basically, right? So some things may want to jump out ahead of the others. Right? Be handled, be dealt with and take that off the list and keep checking them off the list. So I think we should set that timeline to a 60-day, but then knowing that within that 60 or 90 days we may come to some agreement, to some conclusion on one or two of those items outside of that committee structure but we need to move forward with that.

CHAIR ANAYA: So I appreciate that. Let's allow those committees to get appointed and let's see how we evolve over time. I think that the general concurrence is that we are all in agreement that we're going to move together collectively and I think that's huge. And then also on the issues associated with the public utility that we're not going to abandon ship, if you will, but we're going to still continue to have some information and a dialogue and I think that's reasonable as well. So at this time if it's okay I'd like to go ahead and allow the economic development component to have about 15 minutes if we could or just to provide a synopsis on update, and then get us close to wrapping up.

MS. MILLER: And Mr. Chair, I just want to let you know I do have sandwiches and stuff for everybody so you don't have to leave here hungry.

CHAIR ANAYA: Why don't we go ahead and take a couple minute break before we get started on that.

[The meeting recessed briefly.]

II. Update on Tourism and Economic Development Activities after Joint City/County Meeting of October 20, 2014

KATE NOBLE: Thank you very much. My name's Kate Noble. I'm with economic development for the City of Santa Fe. So, David Griscom who is with economic development for Santa Fe County could not be here today. He had a long time ago booked a vacation and is at 11,000 feet in a yurt, as I understand it, so it's just me today. It's been very interesting to hear the discussion today just because much of what has been discussed we have sort of experienced in developing these draft joint strategies which you all have copies of. ??? We passed those out earlier, and that is just that it takes a little bit of time to figure out how to work together to establish communication, to establish different ways to look at the will and the direction and the understanding we have from two different governing bodies. And to take the sort of even broad subject areas of the film and media industry and the outdoor industry and narrow them to suggested action items and what we found through the process which may be a parallel to the process for some of the other work is that to narrow and to focus and to get to key action steps as the Chair of the Commission talked about earlier is fairly challenging.

So as staff we have wrestled with a lot of different options and possibilities. We have endeavored to look at things that are in essence low-hanging fruit. That's where we found ourselves gravitating towards, what can we do that will be the most efficient and effective actions we can take, and we looked for things that are speed and will provide us really with a robust economy. David Griscom, it is worth nothing, being in a yurt at 11,000 feet is very much someone who lives an outdoor lifestyle so he has been very important at working on that and

pointing to that I had my first career in film and studied that in school so these were two for us very interesting things to dig into as we have particular interest and expertise in the area.

As sort of rough summaries of where we ended up through many, many drafts of these various, varying strategies, again, we gravitated to the low-hanging fruit. In the film strategy I would point to two levels in particular of action. One that is to recruit a greater number of productions. When productions are here they do two primary things. They employ people and they spend money. And the greater number of productions we can have the more of that goes on. However, we have seen somewhat of an erosion of our crew base in Santa Fe County and so looking at growing that in order to better take advantage of the productions that are here and the employment that they provide is certainly what I would call the tier one strategies that we outlined. And increasing spending at local businesses. We've also thought a lot about how to better provide pathways for productions to find our local businesses and spend their money there.

And in the perhaps longer-term portfolio, we look at growing the local industry and diversifying the industry base, and these are very important strategies for the health of the industry in the long term to really make a more robust local industry and a more diverse local industry that might look at app development, gaming post production and other complementary activities.

On the outdoor strategy, it's worth noting that this is in some ways a less developed industry. We have some significant anchors in the spirit of *Outside* magazine and BTI, Bicycle Technologies International, and we would like to leverage those as well as develop our local base. But recruitment became a key focus of this industry because we don't have as big a local base to grow from. In terms of the low-hanging fruit we all, as staff members very clearly see the importance of existing events, in particular such as the Bike and Brew Festival, the Santa Fe Thunder, the Santa Fe Century, the La Tierra Torture, and other events and we have looked at a strategy that would focus really on this year to make those events as well attended and world-class as we possibly can, but also to see them as roads into networks so that we might look at recruiting through the networks of the people involved in any number of those events. Bike and Brew in particular which is coming in May is attracting a lot of national attention from sponsors in the outdoor industry and is providing what looks like an opportunity for us to start to develop those relationships and understand how we can best target our recruitment efforts going forward.

So that's a brief summary of some of the low-hanging fruit on both of these strategies and I'll stand for any questions.

COMMISSIONER CHAVEZ: Mr. Chair.

COUNCILOR IVES: Commissioner.

COMMISSIONER CHAVEZ: Kate, outdoor recreation or ecotourism as it is also called is now under sort of the umbrella of tourism, which I think sort of makes sense. But under tourism, I'm wondering if we could add some language that would help to maybe identify who we are. Because tourism by itself is just tourism but if we have cultural assets, if we have human resources, if we have the arts and crafts component that we have, could we have language that would say something to the effect, maybe cultural or heritage tourism, cultural tourism or heritage tourism? Something that would lead you to believe that there in our case is some real history and some real culture that predates our US history that's significant. So how is that factored in? Where could that be factored in? I know that we talk about branding Santa Fe and the area, right? Beyond just the arts and culture which again I think is good, because we have more than that to offer but just in those areas, if we could expand on that and be more deliberate in the branding of the items and the products that are produced locally so that the region has more significance, so that maybe those items have value-added component to them. Right? And so that we're not lost in the history or – sometimes history has not been kind to New Mexico or Santa Fe. The Bachelor is one example, right?

COUNCILOR IVES: A debatable point.

COMMISSIONER CHAVEZ: History does not always recognize Santa Fe and New Mexico. I know a lot about the Boston tea party and Paul Revere but people don't know where Santa Fe, New Mexico is and that we're not part of Mexico anymore. So that brought that to light again. But it's all part of the education, the ongoing education. So I can say that history hasn't always been kind to Santa Fe, New Mexico because we're not factored in sometimes. But could you maybe expand on that a little bit? See if I'm off the mark at all where that might – because these are drafts, right?

MS. NOBLE: Yes. Absolutely. Mr. Vice Chair, the entirety of the tourism universe of course I will leave to my colleague Randy Randall who is the City's Director of Tourism. I think it would certainly be easy to include some language around in this strategy in particular around complementing heritage tourism and cultural assets because there's probably a very fine line between outdoor and cultural assets and even a grayscale in that somebody may just want to ride a mountain bike down a mountain but someone else might actually want to explore an ancient trail or certainly a trip to Bandelier is an outdoor adventure and an experience in cultural and heritage tourism, so we could certainly add that anything that – and this is where we work to integrate and work with our colleagues in Tourism. Our goal was to really grow the industry around outdoors which would mean companies in particular and products being made, value add and that sort of thing we've looked at. Even expanding on the heritage of sewing to perhaps think about outdoor gear, because we have a lot of expertise for people in making garments and outdoor garments in particular are an area where there's a great market and a great deal of value add.

So we can think about putting some of that in that because all of this strategy is really based on building upon our existing assets and existing strengths, both of those, and identifying exactly where they are and then magnifying them in order to enhance the economy.

COMMISSIONER CHAVEZ: And then on a smaller level, on a smaller scale, that would help I think the cottage industry, the smaller individuals, the smaller arts and craftsmen that are working in their studios producing some of the work that draw people to the area. So I know that diversifying needs to happen. We can't depend and shouldn't depend only on tourism for tourism's sake and so the other areas that we're moving into I think are good. And people like to be outdoors. They like to see attractive things. They don't necessarily like to go to a museum anymore that's stagnant, that's not doing anything. That's why attendance is down. And so they're looking for other things that will stimulate their interest and make their visit different than anywhere else. Anyway, I think that just food for thought, maybe. And I think you're moving in that direction. It's probably not that hard to add some language to this. Thank you, Mr. Chair.

COUNCILOR IVES: And Kate, myself – I'm sorry. Councilor Dominguez.

COUNCILOR DOMINGUEZ: Thank you, Mr. Chair. Just a real quick question. When you say what is below the line, local hires. What is [inaudible]

MS. NOBLE: Below the line is a term in the film industry which is basically your union crew. Above the line is your non-union producers, director, that sort of thing.

COUNCILOR DOMINGUEZ: And then in the economic impact example it talks about *Stanistan.*

MS. NOBLE: Yes.

COUNCILOR DOMINGUEZ: It's $160,000 per day they spend?

MS. NOBLE: That's right. Yes.

COUNCILOR DOMINGUEZ: And they're spending that. Is that salaries and services or is it –

MS. NOBLE: Yes. That's all inclusive.

COUNCILOR DOMINGUEZ: And how many days for the year?

MS. NOBLE: I'm not sure. I think they were here for about a month, and *Stanistan* was one example. We've actually just in the past couple of weeks had three big announcements. The Tina Fey movie that's right down the street. There's an Adam Sandler one and another one came out yesterday. And productions are all variable, so we would measure it by crew days because we would like to see a diversity of productions all the way from a big feature film that is completely based here to a television commercial.

COUNCILOR DOMINGUEZ: I'm just trying to understand things a little bit better. Is it $160,000 multiplied by 30 days?

MS. NOBLE: At least. Yes. Precisely.

COUNCILOR DOMINGUEZ: And so how are we measuring this compared to the intent of the legislation that's happening at the state level? Is there anyway to compare? Because I know that it's been generally commented that the film industry incentives were going to be so great that in the City's case the hold-harmless wasn't going to necessarily be an issue, and so are we measuring the success of what we're doing locally versus what the intent of the state level is?

MS. NOBLE: We are not dividing things at this stage. As we move forward with this strategy and gear up in our local efforts that would be something we would want to put in place. So looking at crew days in Santa Fe County and some spending multiplier. And spending is very variable, because it might be on hotel rooms, it might be on products, lumber, food, certainly wages. And so crew days is the standard, the industry standard but we would certainly look to understand how much of additional spending is put into our local economy as a result.

COUNCILOR DOMINGUEZ: Let me ask it a different way. In your documentation you have the $960.9 million in gross state product. How much of that amount is local City/County, whatever you want to call it, monies?

MS. NOBLE: That came, that figure came from a film production tax incentive study that was done by the state and it did not break things out by county. We could develop and I would want to talk to lots of knowledgeable people before putting any numbers forward, but we could develop, and we did discuss a local extrapolation because between Albuquerque and Santa Fe and some other key locations, White Sands being a notable ones, we know where the production centers are and we could even guess that something like a third, let's say.

COUNCILOR DOMINGUEZ: So I have no idea what the science is behind all of that, but I would think, Mr. Chair, that we would somehow have some of that extrapolated data included in this. Not only to me but I think it's talking to constituencies really what it means to them. That's all I have. Thank you.

COUNCILOR IVES: I would note we are now after 1:00, which is the time period for which the meeting was set so I think it's appropriate to hold further discussion and I know the last item on the agenda was discussion of timeframe for the next meeting and I think it would be prudent, especially given those that have already left the meeting to simply delegate to staff the task of setting that up as well as continuing forward with the committee assignment and meeting process, hopefully with an eye towards I think hopefully getting together in 60 to 90 days for the next meeting, sounded like the timeframe people were thinking of unless there's some urgency due to budgeting processes that compels us to move forward more quickly.

Adjournment

Having completed the agenda and with no further business, Councilor Ives adjourned this meeting at 1:00 p.m.

Approved by:

Board of County Commissioners
Robert A. Anaya, Chair

Approved by:

City Council
Javier M. Gonzales, Mayor

ATTEST TO:

GERALDINE SALAZAR
SANTA FE COUNTY CLERK

ATTEST TO:

YOLANDA Y. VIGIL
SANTA FE CITY CLERK

Respectfully submitted,

Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501

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SANTA FE CITY COUNCIL MEETING
February 25, 2015

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MINUTES OF THE
REGULAR MEETING OF THE
GOVERNING BODY
Santa Fe, New Mexico
February 25, 2015

AFTERNOON SESSION

A regular meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor Javier M. Gonzales, on Wednesday, February 25, 2015, at approximately 5:00 p.m., in the City Hall Council Chambers. Following the Pledge of Allegiance, Salute to the New Mexico flag, and the Invocation, roll call indicated the presence of a quorum, as follows:

Members Present
Mayor Javier M. Gonzales
Councilor Peter N. Ives, Mayor Pro-Tem
Councilor Carmichael A. Dominguez
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Christopher M. Rivera
Councilor Ronald S. Trujillo

Members Excused
Councilor Bill Dimas
Councilor Patti J. Bushee

Others Attending
Brian K. Snyder, City Manager
Marcos Martinez, Assistant City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

Mayor Gonzales asked that the record reflect that Councilor Dimas asked to be excused this evening because of illness.

6. APPROVAL OF AGENDA

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

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Ives, Lindell, Maestas, Rivera and Trujillo voting in favor of the motion and none against.

7. APPROVAL OF CONSENT CALENDAR

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

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

10. CONSENT CALENDAR

a) ***[Removed for discussion by Councilor Ives]***

b) **REQUEST FOR APPROVAL OF GRANT APPLICATION – 2014/2015 SANTA FE TRAILS RIDEFINDERS PROGRAM; U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL TRANSPORTATION ADMINISTRATION. (JON BULTHUIS)**

c) **REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO FISCAL AGENT AGREEMENT – WELLS FARGO PAYMENT GATEWAY SERVICES FOR ON-LINE PAYMENT FOR PARKING TICKETS; WELLS FARGO BANK, N.A. (HELENE HAUSMAN)**

d) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT TO ADD THE ANNUAL DEBT SERVICE EXPENSE AND INTEREST EARNED TO FUND 5406 FOR THE NMFA TRANSIT LOAN. (HELENE HAUSMAN)**

e) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT TO ADD THE DEBT SERVICE EXPENSE AND PROPERTY TAX REVENUE BUDGETS TO FUND 4152 FOR THE 2014 GENERAL OBLIGATION BONDS. (HELENE HAUSMAN)**

f) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT TO ADD THE ANNUAL DEBT SERVICE EXPENSE AND INTEREST EARNED TO FUND 4127 FOR THE 2014 GRT BONDS. (HELENE HAUSMAN)**

g) **REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – MEDICAL OXYGEN FOR FIRE DEPARTMENT EMS OPERATIONS; AIRGAS USA, LLC. (GREG CLIBURN)**

h) ***[Removed for discussion by Councilor Ives]***

i) **REQUEST FOR APPROVAL OF GRANT AWARD AND AGREEMENT – STATE GRANTS-IN-AID TO PUBLIC LIBRARIES FOR SANTA FE PUBLIC LIBRARY DIVISION; NEW MEXICO STATE LIBRARY. (PATRICIA HODAPP)**
1) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – GRANT FUND.**

j) ***[Removed for discussion by Councilor Lindell]***

k) **REQUEST FOR APPROVAL OF AGREEMENT – 2014 STATE OF NEW MEXICO CAPITAL APPROPRIATION PROJECT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION. (DAVID CHAPMAN)**
1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**

l) ***[Removed for discussion by Councilor Dominguez]***

m) **REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO AGREEMENT – JUVENILE JUSTICE SYSTEM SERVICES; STATE OF NEW MEXICO CHILDREN YOUTH AND FAMILIES DEPARTMENT. (RICHARD DeMELLA)**

n) **OPEN AUDIT FINDINGS REPORT. (LISA KERR) (INFORMATIONAL ONLY)**

8. APPROVAL OF MINUTES: REGULAR CITY COUNCIL MEETING – FEBRUARY 11, 2015.

MOTION: Councilor Trujillo moved, seconded by Councilor Dominguez, to approve the minutes of the Regular City Council meeting of February 11, as presented.

VOTE: The motion was approved on a voice vote with Mayor Gonzales and Councilors Dominguez, Ives, Lindell, Maestas, Rivera and Trujillo voting in favor of the motion and none against.

9. PRESENTATIONS

a) FIRE DEPARTMENT ANNUAL AWARDS. (CHIEF LITZENBERG)

A copy of the criteria and nomination information for the awards is incorporated herewith to these minutes as Exhibit "1."

Chief Litzenberg said following the awards, they are holding a reception where they are honoring all retirees from 2014, and all those who got promotions in 2014.

Chief Litzenberg presented the Exceptional Duty Medal to the following members of the Fire Department for highly credible accomplishments, bring public acclaim to the department or fire service as a result of devotion to duty or service to the public:

1. Firefighter/EMT Rollin Jones

2. Atalaya Crew Leads Brandon Aguilar and Mike Saiz,

3. Station 8 B Shift, Lt. Jeremy Ramirez, Engineer Jennifer Dickey, Firefighter/Paramedic Charles Mares, Firefighter/EMT Danny Maldanado and Firefighter/EMT Jeffrey Maldanado.

Chief Litzenberg presented the Firefighter of the Year award to Andres Mercado.

Chief Litzenberg thanked the Governing body for this time to present these awards.

Mayor Gonzales said, on behalf of the City, we are grateful for your service and dedication to the community. He said this evening we heard a few exceptional stories about some extraordinary individuals, and thanked them for what they did. He said these kinds of occurrences happen almost daily, and they impact the community daily. He said, "Truth is, you guys are community heroes and I am so privileged and grateful to be the Mayor of the City that has inspiring people working for it every day. I want you know how grateful I am for the work that you do. Congratulations to the recipients we saw tonight. The work that you do is extraordinary."

Mayor Gonzales welcomed the mother of Andres Mercado, Carmen Martin, who has been a strong proponent for helping those that are less fortunate or those using the 911 system as a gateway to the health care community. He said last week he and Councilor Ives went to San Juan, Puerto Rico and the day they arrived Ms. Martin hosted them in her home. He thanked her for her hospitality and welcomed her back home to Santa Fe.

Councilor Lindell thanked the firefighters of Santa Fe. She said these stories are extraordinary, and she knows there are other stories. She thanked the families of the firefighters who live with anxiety and worry, and a lot of hours without them for the service to the City. She said it doesn't go unnoticed, and thanked them for their service.

Councilor Rivera thanked them for being here this evening and letting us share this moment with you. He said he goes to the station at times and sees Rollin Jones working on bicycles, and spoke with him about what he does with those. He said, "Not only does he have a cool name, but he's doing some good stuff with those bicycles, so Roland, thank you very much."

Councilor Rivera said he remembers as Chief trying to figure out who would get awards, and there are many great stories out there every day. He said he knows it was a hard task for Chief Litzenberg to choose those who get the awards. He thanked the families, saying it is nice to see you.

Councilor Rivera said when he first started as the Assistant Chief, one of the first groups he had to train was the 22nd Academy. He said, "It is amazing to see some of those firefighters now in Chiefs' uniforms."

Councilor Maestas expressed thanks and appreciation to the firefighters for their service, with special thanks to those who received awards. He said firemen are on the watch 24/7, and said can you imagine going home, knowing the phone could ring and you need to spring into action. He said they depend on one another and keep our community safe 24/7.

Councilor Maestas said Councilor Rivera is an asset to this Governing Body and has brought a great perspective to the Council.

Councilor Dominguez said he had the opportunity to do a tour with the Fire Department for 48 hours, and it's feast or famine. He thanked Chief Litzenberg and the officers. He said about 3 weeks ago he witnessed a horrible accident. He said during the whole time he left his truck running and his battery died, and the firefighters gave him a jump start and offered to follow him home to be sure he got home safe. He said they also told him where he could buy a really good battery. He thanked them for their work, and thanked their families as well.

Councilor Ives said he would echo the remarks everyone has made here. He said, "As a department within the City, in ways you stand above the rest, and I'm thinking specifically of the stories and the activities related here tonight. Everybody who works for the City has a job they do, and as Councilor Maestas has pointed out, most of them end at five and folks can go home. Not only do you carry on well beyond that, the examples you set by this additional work in the community you are doing, whether it is bicycles, or starting new programs to have a significant impact on the delivery of health care services in affordable ways across our community, it shows a level of engagement that rises above and goes far beyond the norm. And to have that spirit and to hear the multiple stories of that engagement, notwithstanding the intensity of your every day work is really inspiring and a fabulous example for all of us who work for the City. Hearing these stories affirms for all of us that there's much more to be done, and so

hopefully many more across the City can emulate the good efforts that our firefighters are out there doing every day. So I add my thanks."

Councilor Trujillo expressed congratulations and thanked all firefighters for their service to this community as first responders. He has head wonderful things about our firefighters from his constituents.

Mayor Gonzales thanked Chief Litzenberg, and said, "I want to recognize you and your leadership, as well as your deputies and the battalion chiefs he knows first hand, always advocating for the front line troops. I think we have the department we have because in many respects, as Councilor Rivera knows, you set the bar and the tone for all the firefighters to do the best they possibly can to serve with compassion. And certainly the message we send to everyone is that there is a career for you in our Fire Department. If you want to rise to the ranks of Chief, it's doable, because it's been done before you several times over. I also just want to say thank you to the families which I neglected to do in the opening. It is true, as we've all said here tonight, the sacrifices many of you go through to be without one of our firefighters is one we're never experienced, and I'm sure it's tough at times. So thank you for your support of the men and women of our Fire Department."

b) 2015 LEGISLATIVE UPDATE. (MARK DURAN)

Mayor Gonzales said we are very thankful for the legislative updates Mr. Duran provides that are very thorough, and said he has been good about reaching out to us if he has have a particular issue. He asked Mr. Duran to review the Legislation about which we should be concerned, or you need help and support for.

Mr. Duran talked about Hold Harmless and water legislation. He said, "With regard to Hold Harmless, as you know, there are several pieces of legislation that in one form or another address HB 641 which repeals the Hold Harmless payments, with a 15 year phase-out beginning in 2015. One of the things that bill didn't address was the stacking ability of a City GRT tax increment, along with a County GRT tax implement." He said for the past years, Representative Harper has tried to address the stacking issue, and he has again introduced that legislation in the House.

Mr. Duran said one of the most talked about pieces of legislation was the New Mexico Municipal League legislation that was carried by Senator John Arthur Smith that would repeal the repeal of the Food Tax. There are other pieces of legislation that are specific to specific situations around the State. He said SB 101 by Senator Neville of Farmington is trying a unique approach to the Hold Harmless situation. He said that legislation would do away with all hold harmless payments over the next 15 years, and the State would drop its rate by 1/4 percent and allow the City to increase its GRT rate anywhere from a quarter to a half percent. He said they had a hearing on that bill yesterday and there are issues with that bill in terms of when an entity already has bonded against the GRT, or implemented the 3/8 allowed under HB 641.

Mr. Duran said, "To summarize, Senator Smith maybe summarized it best when they were hearing SB 101 yesterday, and said he is not sure there is a fix to Hold Harmless and maybe HB 641 was the best fix there's ever going to be in regard to Hold Harmless. Senator Neville's bill was tabled in Senate Finance, and Senator Smith talked about bringing all the Hold Harmless bills into the Committee, and then the House Bill into the Committee, and then to have another hearing on all those Hold Harmless bills at once. There has been lots of discussion. I know the County has already taken some steps, maybe in anticipation of Senate Bill 101 passing or not. There is lots and lots of activity, discussion, technical amendments and discussions and Legislation in regard to Hold Harmless."

Mayor Gonzales said, "Generally if you had to gauge the temperature or the appetite to deliver a fix, where would we see it right now. Is there steam behind an effort try and get something done, or are the individual sponsors of the bills having a tough time picking up some traction out there."

Mr. Duran said, "I'm always going to be frank with you. After going home yesterday, he thought SB 101 had some momentum because of the discussion that had surrounded it. And after seeing the key complaints, it sure didn't feel to me like they had a strong appetite, by the Chairman of Senate Finance, and as a very powerful person, or the Senate Finance Committee in general to take on the complexity of all the different issues associated with small cities, big cities, small counties, big counties, small cities that may think hold harmless is the issue when in fact, they have other broader issues. And he's not sure any Hold Harmless bills are going to pass this Legislative Session."

Councilor Dominguez asked if there is a schedule for the idea that they may hear them all at the same time.

Mr. Duran said there is not a schedule, but since we're halfway through the Legislature, he would imagine within the next 7-10 days they would have that hearing. He said if we don't see that, then we would gage whether there is an appetite to take on that hearing.

Councilor Dominguez said he would like to attend that hearing if it happens.

Councilor Maestas said there doesn't seem to be the appetite on the House side, just based on the legislative activity on Hold Harmless. It is more on the Senate side. He appreciates Senator Smith wanting to consolidate all of the relate bills on the Senate side. But if there is no appetite, action and activity on the House side, and if the Executive says they won't support the reinstatement of a food tax, he isn't that sure we're going to get any action, period. Even if there is a compromise between the House and the Senate, the Governor said before the gavel fell to start the session that she would veto such legislation. He asked if the executive has changed its position. What is the dynamic on the Republican House and the Executive, and will that really make this a non-starter.

Mr. Duran said he thinks the appetite is about the same in both houses, and he will echo Senator Smith's words that he is unsure if any Hold Harmless legislation would pass in this Legislature. He said that doesn't take into the political philosophies associated with tax increases, which add another lay of politics that there may be subsiding appetite to deal with Hold Harmless.

Councilor Maestas said the race to enact the GRT is going to continue, and the counties are astute by tying up those revenues through bonds, which complicates the issue, and it's pretty much protected. He said the counties don't support bringing back the food tax, which calls for a repeal of the Hold Harmless.

Mayor Gonzales said during the budget discussion tonight we'll talk about this in particular, but the GRT is such a regressive tax on poor people which is the issue of the Legislature doing this 'shift and shaft' to cities, and really that shaft going to the poorest in communities who will have to pay this increase in consumption tax. He said the frustrating thing is that at some point there has to be a willingness to do an overhaul of the State tax system. And we have to push as aggressively as we can to separate ourselves from State political policy, because that's where it's causing huge instability in our revenue situation long term. And hopefully, if we can't get a Hold Harmless bill passed that is fair, and he has issues with SB 101, because if we have to execute the increase in GRTs it won't be enough to cover the $11 million we will lose in revenues. He said, "From Santa Fe's perspective, it's a big bill and if that gets some traction, we have to figure out what we need to do to move to stop it. Hopefully, at some point a Memorial will be passed that sets up the structure to have a dialogue with the cities and the counties and the state on how to get this solved, long-term, as opposed to wait for session after session. So if we see that opportunity I think we ought to push for it. Quickly, on water."

Mr. Duran said Senate Bill 63 is an authorization bill for all applications that have come through the Water Trust Board in early 2015. In the past, what has happened is that only the projects deemed to be funded by the New Mexico Finance Authority who are the staff for the Water Trust Board process would be included in that authorization bill. They did something different this year and included all applications in the authorization bill, which allows a unique opportunity to lobby our projects within that bill to potentially get funding, once the Water Trust Board reconvenes after the Legislature and finally determines awards. We've been working very aggressively on that with Senator Cervantes who has taken the lead on this, and with our Santa Fe Delegation. We have three projects in there, two are more than $1 million. He said it's been some time since we received any Trust Board money, partially because of the $29 million we received from the Water Trust Board for the BDD. He will continue to stay on top of that.

Mr. Duran said the other piece of legislation is SB 665, sponsored by Senator Griggs, dealing with utilization of our water rights, commenting Councilor Maestas is very familiar with this and knows the issues we've had in regard to that. He said the bill comes a little late, and it has a high number. It might serve as a platform to begin discussions and negotiations and to notify the State Engineer that not only are we concerned about some of these issues, that legislators are concerned as well.

Councilor Ives said he would like a copy of the bill he just mentioned. He said we do have a Resolution on the agenda tonight calling for support of 279 and 280 relating to Water Conservation issues and the like, so we may expand the list before too long. He said some of that relates to new and innovative ways of assessing water conservation in construction projects using a new system developed by a number of people on the Water Conservation Committee and the building trades in Santa Fe, called WERS system, similar to the HERS energy rating systems for residential uses. He said Senator Wirth's tax credit bills are proposing in part to use that system. He said, hopefully, Mr. Duran can provide us with

feedback as it moves forward. He said he is curious about the Regional Water Utility Authority Act from the perspective of the good work Santa Fe has done in planning for its water future, and that would impact the good work Santa Fe has done. He said he doesn't want Santa Fe's expenditures and good works to become a footnote in everyone's water future. He doesn't know if that bill incorporates the conservation work the City has done.

Mr. Duran said the Regional Authority is SB 515 Senator Griego's bill, which hasn't received its first hearing, but your comments are noted and thinks that's exactly how we would approach it. He said it's not likely to be passed.

Councilor Ives said he is happy to work with him on those bills.

Mayor Gonzales all of us are available to testify or talk to people and to do what we need to in any of these areas, and asked Mr. Duran to please include us.

Councilor Maestas said there are several bills calling for an increase in the State Gasoline Tax, and we should support the legislation calling for local government revenue sharing. He asked Mr. Duran to get with Senator Griggs on SB144, noting he wants to rename the Municipal Gasoline and Special Fuels Tax Act and broaden the eligibility of that tax. If there is no action in the Legislature, the City should consider the option to impose a gasoline tax. We can impose a gasoline tax of 2 cents by referendum. The problem with Senator Grigg's legislation is that the municipalities have to collect that tax. He thinks we should support an amendment requiring the State to collect it on our behalf and disburse it to use.

Mr. Duran said HB 262 calls for a 2 cent increase and that money would go to the Road Fund, and believes this bill might have a chance to pass.

Councilor Dominguez asked if he has information on SB 346, having to do with the restructure of State taxes. He hear from his constituents about it, noting it is a 228 page bill expanding the GRT base.

Mr. Duran will follow up with him on this bill.

Councilor Trujillo thanked Mark Duran for his service to the City..

c) CLIMATE ACTION TASK FORCE UPDATE AND RECOMMENDED ENERGY INITIATIVES. (DAVID COSS). (Postponed to March 11, 2015 City Council Meeting)

This item is postponed to the Council meeting of March 11, 2015.

d) LIVING WAGE COMPLIANCE. (ZACHARY SHANDLER)

Zachary Shandler said on March 1, 2011, the living wage goes up to $10.84 in the City. He said we have a new poster which is wall sized, noting there is a copy in the Council packet and staff would like the Council input and comment. He said once the poster is done, it can be folded and put into an envelope that can be sent out to businesses when they get their annual business license. He said the smaller version of the poster can be set out in the utility bills. He said there is a cost of $450 for 5,000 of the colored posters. He said there is no budget for the $450, otherwise it will be done in black and white.

Mayor Gonzales said we nominate Brian Snyder to find the $450 for the colored poster.

Mr. Shandler said in their license there is a statement that they are in compliance with the Living Wage. He said there is a check box on the renewal form saying they agree to comply with the Living Wage. If they register on line there also is a statement saying they are complying with the living wage. He said there is no budget for an on-screen checkoff box, but perhaps in the next fiscal year we can have that when there is an upgrade to the system. He said they used the social media and press releases to get the word out. He said he wanted to take this opportunity before Sunday to tell the community about the increase in the Living Wage.

Mayor Gonzales said if there is a business that didn't hear about this and haven't renewed, and they go through two payroll cycles paying the current rate, how does this Ordinance address that issue.

Mr. Shandler said there is no safe harbor period, but if someone files a complaint with the City Attorney's Office, they would review and expect them to pay the wages.

Mayor Gonzales said he met with people today who are registering complaints with the City Attorney's Office on wage theft, so there clearly will be a need for us to be proactive in educating businesses about the new wage rate, as well as in defending and being able to hold the business accountable to pay the employees the proper, rightful living wage.

CONSENT CALENDAR DISCUSSION

10(a) REQUEST FOR APPROVAL OF BID NO. 15/12/B – MICROFILMING SERVICES AND PROFESSIONAL SERVICES AGREEMENTS FOR LAND USE AND CITY CLERK DEPARTMENTS; PORTABLE MICROGRAPHICS, INC. (YOLANDA CORTEZ AND CARMELINA SPEARS)

Councilor Ives said this raised a question in his mind with regard to our records retention policy which was brought before the Council sometime in the past two years, which is based on the State's Record Retention Policy. His understanding is the City, as a home rule municipality, has some capacity to make modifications to it. At that time he believes we were told that in Land Use, the policy called for retention of 10 years or some period of time, after which certain records were being destroyed. He said

Land Use strikes him as an area where maintaining records permanently seems a prudent course of action. He said he would like to know the record retention policy for land use records, with an eye to make sure it satisfies the long term need for Land Use decision information capture. And the possibility of come back with a proposal to modify our policy in the future.

MOTION: Councilor Ives moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

10(h) REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FOUR (4) REPLACEMENT AND EXPANSION VEHICLES FOR PUBLIC UTILITIES DEPARTMENT; VARIOUS VENDORS. (NICK SCHIAVO)

1) REQUEST FOR APPROVAL OF OPERATING BUDGET ADJUSTMENTS – WATER UTILITY FUND $211,630 AND WASTEWATER UTILITY FUND $24,640.

Councilor Ives said, "Another quick question and hopefully signaling, especially to Robert Rodarte, how I would love to see any requests for vehicles that come before the Governing Body, be handled.... we passed Resolution No. 2014-81, directing staff when acquiring fuel powered equipment, including vehicles, to balance the costs of the City's needs with that of producing the lowest carbon footprint the City would create when using such equipment. And I know these are specialized vehicles, but I would love to get into the practice on a cover Memo dealing with any vehicle purchases that we are addressing Resolution No. 2014-81, so that I don't have to pull it each time and ask the question, which is what I will do. Nick I know you have considered it, because I know you worked on the authorship of this particular measure. If you would just confirm, hopefully, that you've looked at that, and that we're complying with that Resolution."

Nick Schiavo, Director, Public Utilities Department said, "Yes. I definitely did and it would be very easy for me to include that in the memo for any future vehicle purchases."

MOTION: Councilor Ives moved, seconded by Councilor Rivera, to approve Item 10(h) and 10(h)(1).

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

10(j) REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT FOR DWI FORFEITURE LOT ON CAMINO ENTRADA FOR SERVICES TO INSTALL LIGHTING AND SECURITY CAMERA. (MARIO SALBIDREZ)

Councilor Lindell asked how many cars a year do we have in this lot.

Deputy Chief Salbidrez said the answer he received is that approximately 600 cars were seized last year. He said not actually all vehicles that are seized are forfeited to the City and are kept there for safekeeping until the process is complete, noting many are returned to the owners or the innocent party owner.

Councilor Lindell asked how many cars are in the yard all the time.

Deputy Chief Salbidrez said the lot only allows for approximately 250 cars to be held there right now.

Councilor Lindell asked if the yard currently is fenced.

Deputy Chief Salbidrez said yes, it is fenced and has security.

Councilor Lindell said this request is just for just cameras and lighting.

Deputy Chief Salbidrez said, "Correct. That would be for the new addition that we're adding to the lot to accommodate the seizure volume that is happening."

Councilor Lindell said then that doesn't include the funds for fencing.

Deputy Chief Salbidrez said, "No. That was already arranged and approved."

Councilor Lindell asked the number of cameras are proposed, and why does it cost $100,000 to put up lighting and cameras for this, "and why do we need so much engineering on this. We've got over $30,000 of engineering costs on it."

Deputy Chief Salbidrez said he will have yield to the project manager of this.

LeAnn Valdez, Facilities Division, said, "The number of cameras for the project.... right now I think there were 13 that were part of the plan. As of right now, it is the plan to install all 13 cameras. ATI provided us with a photometric plan, and that's what could put in that area."

Councilor Lindell asked the number of lights.

Ms. Valdez said there are 13 lights and 13 cameras to comply with the City lighting ordinance.

Councilor Lindell asked if we can't do this for less than $100,000.

Mr. Pfeifer said, "We did go out for quotes and it was almost impossible to get a quote back, and ATI has State Price Agreements, so we are piggybacking like we do on a lot of State Price Agreements to get this done. And the State has some decent pricing for us to work with, so that was choice that was done. We attempted procurement and nobody was bringing bids back so we went with the State Price Agreement."

Councilor Lindell said, "So we got no bids on this."

Mr. Pfeifer said, "Other than ATI, which was the one that came through, so we went ahead and used them with the State Price Agreement. We requested quotes from others, but never received anything, so we are recommending the State Price Agreement."

Councilor Lindell asked if the lights will be on all the time.

Mr. Pfeifer said they will be on at night, noting they are on a photocell so they won't be running during the daytime.

Councilor Lindell said then they're going to run all night long.

Mr. Pfeifer said, "The answer is yes. That's for the protection of the cars and to be able to have the cameras lit so you can see what's going on if something does happen."

Councilor Lindell said she understands from questions she asked at Finance, that we've never really had any problems in these lots. She said, "I just don't understand why we need to light and camera lots for $100,000, that we haven't had any problems in."

Deputy Chief Salbidrez said, "This particular lot, you're correct, I did say we had no problems. We do have a Siler lot and we have kept many vehicles there, and that one had no security. We had multiple break-ins to the lot. They broke the fence and took multiple items from the vehicles that were there. We then incurred the costs to repair those vehicles which were going back to the original owners. And that's what we're trying to avoid. If I recall correctly, they broke in 3-4 times and Nancy had to place razor wire on the bottom to try to prevent that."

Councilor Linell said, "My concern with this is that we have this program, and part of the program is for prevention and educational services having to do with DWI. And I'm just not sure this is really the best place to spend these resources, rather than putting additional resources toward education and prevention. I don't think it's a program you actually run, but I'll ask. Do you know how many people the program served in an educational capacity last year."

Deputy Chief Salbidrez said he doesn't have that answer.

Councilor Linell said, "I understand it wouldn't. Just one other question on the specifics of this. Has the work started on this already."

Ms. Valdez said, "Yes, the project has started, we're about halfway. Like we mentioned earlier, we already have APO to install the fence on the bigger lot. Once our Streets Department is working on the final grading for the bigger lot, once that is complete, we will install the fence using our open field, and if we get the okay to use ATI, we will get started on that."

Councilor Lindell said, "I see that part of the request on this is for not a lot of money, but some monies toward landfill tipping fees, and I see the bills are already included, so I'm assuming that part has been completed."

Ms. Valdez said, "Yes. That was already done."

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

DISCUSSION: Councilor Rivera asked for what the lot on Airport Road near the Airport is used.

Deputy Chief Salbidrez said, "That lot is more an evidence type lot. When we seize a vehicle for evidentiary purposes that is a secure lot and only certain personnel are allowed in there, for example Lieutenants and above. It is also the location where a lot of our new units are going, where they stand by before going to be outfitted, and also to strip units that are going to auction."

Councilor Rivera asked how much room they have at the lot.

Deputy Chief Salbidrez said, "I wouldn't be able to tell you the footprint on it, but I definitely can get that for you."

Councilor Rivera asked if it is close to capacity.

Deputy Chief Salbidrez said, "It is at capacity, in fact my fleet manager is complaining about that, that we have to relook at the number of vehicles we have there from crashes from other cases, because we're running out of room, and we actually have to add an extra area of fence to that lot to increase the footprint that we could use."

Councilor Rivera said on the Camino Entrada property, it appears there is clearing beyond the current fencing that is there, and asked who will be using that additional property and if it is being cleared for a specific reason.

Deputy Chief Salbidrez said, "That is the additional area that is going to be built up."

Councilor Rivera said then that's what we're talking about here, and the Deputy Chief said that is correct.

Councilor Maestas said, "I'm just going to reiterate what I said in Committee when this came before us. When I looked at the Memo, there is no mention of Fund 2227, and that's what's funding this. And I think it would really make things better in the future if we identify the fund and then include the policy under which funds can be spent from that fund, and maybe an approval from the City Manager. Because we have a lot of funds out there and we don't have any kind of formal policy. I realize there are eligible expenditures and that's what you're asking us to approve, but it's always good for us to see a pre-approved policy and know what this fund is called, what it's for, what the balance is. There is $520,000 and you're spending about 20% of it. That's a lot of money lying around, in my opinion. And I think we should look at the policy and see if there are other ways we can beneficially utilize the funds, such as other southside programs Councilor Lindell was referring to. Maybe we can take a stab at that policy and if the balance gets above a certain level, then let's use it for some southside programs."

Mayor Gonzales said, "Are there best practices when it comes to property management and inventory management that other Police Departments across the country have been highlighted for. Because it obviously is a costly issue, and it's money that, if we figured out how to manage it, maybe that process a little bit more could go into a LEED Program or some other program out that invests in the community. Are there publications that highlight some of these challenges we look at or able to visit."

Deputy Chief Salbidrez said, "At this point, we haven't looked into that, and I don't know about that. But I know that since topic came up, and we have begun the exploratory phase for expending these funds, and different ideas we can use."

Mayor Gonzales said he thinks it would be helpful for us to know there is a level of review across the country in similar sized departments. It may be we find one or two tweaks we can do that might help us save some money, so maybe over the course of the year, we might be able to see some of that.

Councilor Maestas said, "I don't think we do the best job of allocating costs associated with a lot of these programs. I'm sure the City Attorney's Office works on the legalities in confiscating vehicles. There probably should be some administrative costs set aside as a part of this policy. Another thing we always have to think about the overhead, and I don't think we do a good enough job of assessing these funds."

Councilor Dominguez said, "I just want to expand a little on what Councilor Maestas said with regard to policy and how money gets spent. And maybe it's better to have this discussion later on the agenda, but I think you're correct. Maybe one of the things we need to direct the City Manager and the Finance Director to do is to make sure we have clear understanding about all the different funds we have, how much of that money is mandated for certain things, how much of it is available for discretionary expenses. My sense is that we kind of have a general idea and maybe the administration has a better idea, but I don't think we have a complete grasp on the numbers of funds we have and how that money can be spent through actions taken by previous Governing Bodies to mandate portions or all of those monies for certain things. I don't think it's going to be an easy task Brian, but I think it's something that needs to be done sooner rather than later."

Brian Snyder, City Manager, said, "There is money that comes out of this fund for staff, whether it be in the Police Department or in the City Attorney's Office as an example, so we do have funds tied to the administrative side of this. And they pay for 2.5 FTEs in the Police Department as part of Alfred Walker's staff time out of the City Attorney's Office. So that has been looked at and we can get more details on that fund if you would like."

Deputy Chief Salbidrez said, "We're moving 3 employee4s into this fund, it's approximately $262,000 in salaries and benefits that's going to be paid out of this fund. So we do have administrative costs in there already."

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: Councilor Lindell.

10(I) **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – ADVERTISING FOR TOURISM SANTA FE (RFP #15/17/P); FUSEIDEAS, LLC. (RANDY RANDALL)**

A copy of the proposed Professional Services Agreement between the City and Fuseideas, LLC, is incorporated herewith to these minutes as Exhibit "2."

Mayor Gonzales said Jon Hendry is a member of the OTAB Board and has requested to speak to the Council. He said, "I'm going to let him speak real quick and we can move into our discussion. He said, "So, Mr. Hendry, we usually don't allow for members to come and speak until Matters from the Public, but I know you are on OTAB and thank you for your service there, and keep your comments as brief as possible."

Jon Hendry said this evening we have an opportunity to reverse Einstein's theorem that the definition of madness is continuing to the same thing over and over again and expecting a different outcome. He said, "I honestly believe and I've sat on OTAB now for about 10 years that we're making a mistake with this advertising contract. I realize we're at the brink and I'm bringing this to you at the brink. The problem is, to me, and by the way I should say that I've also had 5 directors over there that I've sat on the OTAB Board with and Randy Randall is doing an incredible job. I think they're really moving the Department forward. But the problem is we keep sending out the same RFP and expecting to get a different result. And part of the problem with the RFP is we're looking for an advertising company, we're not looking at economic development aspects of having people here in Santa Fe. Not just be creative, not just be the people who are providing the content, but be the people who are driving the content"

Mr. Hendry continued, "And this is what we end up with if we keep on putting out the same or similar RFP. And we ended up here with an RFP and only one firm in New Mexico bid on it, who was qualified that ended up bidding on it, and with the funds that were left at the end, we went with a firm from Boston. I looked at them, they're a great firm from Boston, probably the best firm for Boston. They're certainly the best firm as far as I can see that bid on this RFP. The RFP was wrong. I think the economic development aspects of having people in the City being able to promote the City outweighs anything else we can do. And if we want our kids not to move to Boston or Austin or Albuquerque, we need to provide them with the good paying jobs."

Mr. Hendry continued, "And what made me step back and come here this evening, was professionally somebody said we're going to talk to people here about the content. We're going to talk to you about the content provided here for this advertising contract. And then *[inaudible]* said we're going to work with the Chamber of Commerce and the local businesses. At some point we have to start talking to the creative community and start talking about the people I represent. The people who have spent $10 million just up the street here in the last 60 days. That's enough to cover your Hold Harmless by the way, and what this.... 15% of the rooms from the creative community, because I represent film. And we make great films here, award winning films here. We have the people here who can be the content providers and the content drivers. As long as we keep sending out RFP's as we have been, and say tell us how you would like to promote Santa Fe. I stand in front of you here because I talked to my fellow Brit at the Chamber of Commerce, and I said to him, how come we always end up doing this. He said this is what we do. These are the best people in the market. This is how we end up in this situation. I'm a union guy, I represent people who make a paycheck for a living. And I can't let this go by without coming to you and saying, you can stop this train."

Mr. Hendry continued, "There are so many ways we can look at this. *[inaudible]* Providence, Rhode Island said we're not going to market any more, we're going to market any more, we're going to create events. We're creating 52 events to replace the America's Cup. Why do people come here – Indian Market, Spanish Market, Fiestas. They come here for events, they come here for something. We could use the money to create great events to put Santa Feans to work, not people back there on the East Coast. I would ask you to seriously consider saying we can hold up a little. We can put this RFP back out and in that RFP we say we're going to value the economic development aspects of employing Santa Feans, which we didn't do before. 12 people on the Committee, there was nobody in there saying what about me, what about us, what about the wage earners. What about the people that go to work, take the bus, go there. We weren't on that committee, we weren't asked. I'm here as their representative. Please consider postponing this. Randy and Cynthia are doing a great job marketing the City, they can do it for another 90-120 days to put out another RFP."

Councilor Dominguez thanked Mr. Hendry, saying we usually don't allow people to give a public position like that, however passionate it was. He said he would like the Governing Body to look at a couple of things, noting the amended agreement is being handed out now. He said, "In response to the idea that we should try to get as much local business as can, the Agreement has been amended to try to reflect that. If you look at page 3, Section B, and the other is page 6, Section C. I think those are the two places you would be able to see some of those changes."

Councilor Dominguez continued, "Your argument or your speech, Jon Hendry, was really something we're heard many times before. And it may be that the RFP needs to change. Having said that, I'm not an industry expert. I'm not an advertising expert either. I think the values the Governing Body in many ways and many times have stated, reflects exactly what you said Jon. And my assumption is that those values that have been stated in many different ways have been incorporated into the RFP process or the process where we try to get the best service for our dollar."

Councilor Dominguez continued, "So having said that, before I move for approval, or if I move for approval, let me ask you, what is the risk we're taking if we don't advertise Santa Fe, forget this contract, what is the risk, what happens. I think it's obvious, but if we can get it for the record."

Randy Randall said, "Clearly we need to maintain and advertising program. It is one of those difficult things. You do advertise, you spend your money, you get the results. We can't go back and see what would have happened without that. What we can look at are a few instances. The most dramatic was Colorado, several years ago, eliminated its advertising budget. And they saw their business over a 2-3 year period, drop by 40%. And they have taken 10 years to get the business back to that level, and ended up spending twice as much per year during the recovery period than as if they had just maintained it. So I think it's prudent that we maintain our advertising and actually build on our media program to the extent that we can. Very little is done in print, most of it is done in digital."

Mr. Randall continued, "There are many things we get from an agency. I do agree with Jon Hendry on some items. We need to use local people to the extent we can. The contract had contemplated that. This new agreement that you substituted, will actually require that. And I think that's a very important part. But, beyond creative and production, we have to develop the story. And the Agency, along with the public relations company and the website producers who are local, will spent 3 days here at the beginning of next week with 7 meetings, reaching out to all segments of our community to find out how they feel we should be advertising Santa Fe and who we feel they should be advertising it to. It's open to all segments of the community. We have one for retail, one for art galleries, one for lodgers, one for restaurants, etc. But we invite anyone in the community to attend any of those meetings if they would like to. And they're strictly listening sessions. They are not to present anything that we're going to do there to hear what our community feels are the most important parts of marketing our community."

Mr. Randall continued, "But beyond that, there's the direction of media, the direction of production and there's media buying which is a huge part of it. An effective and large media buyer can expand what we are able to purchase by 20-30%. So, if I went out and bought $200,000 in digital media buy, that's what I would get. When these people go out, because of the volume they buy, they can negotiate far better deals and we wind up getting a $250,000 to $300,000 value for that. So there are a lot more components than what Mr. Hendry addressed."

Councilor Dominguez said, "Let me try to pin this down a little bit. I had a conversation with a coworker of mine about this. To me, and maybe to you even, a million dollars is a lot of money. Relative to our budget, 11% of our revenues comes from Lodger's Tax. So, what does that $1 million buy us relative to say $500,000."

Mr. Randall said, "It's more exposure, you reach more people with a stronger message, because you don't just say to a person, come to Santa Fe one time, we hear it several times. The more you buy, the more you're able to communicate that. On the digital side we can translate it through click throughs to our website, when then can translate to actual buys. We can measure the digital component far more, which is why 55% of the media budget no is going to buy digital as opposed to ads in a magazine. Frankly, you look at it, and you go jeez, those other guys are there and we aren't, but there's really no measure of it."

Councilor Dominguez said, "It seems to me that the conversation hasn't necessarily been the amount, although it is a lot of money. It seems to be this idea that no one from New Mexico or Santa Fe can do it. I know there are industries out there, and I don't know if the advertising industry is one of them, where certain communities have the niche in the industry. Having said that though, I think there's some relative information Jon has provided in that Santa Fe be able to tell it's story. Or that Santa Feans advertise itself. And I don't think this doesn't allow that to happen, but I want to know where in this Agreement it says that can happen. When I was first elected we went through a huge process where I sat in this hotel room with this person who interviewed me for an hour about what does the community think about tourism. How does it feel about tourism. How important is to the economy and so and so forth. I know the economy and the world have changed since then."

Councilor Dominguez continued, "It seems we need to get past this idea that tourism is bad, someone is going to say tourism is good. There's the whole idea that there's bumper stickers and the message of come and spend your money, but leave after that. I've heard it for too many years, for too long, this whole separation between locals and tourism and the impact tourism has, whether it's positive or negative. This might be an opportunity to get past that. So tell me, where specifically in the contract to we have the ability, Santa Fesenos have the ability to be able to tell their story and advertise their City."

Mr. Randall said, "I don't know that it's specified. That's in the management of the contract, which is what I do and what Cynthia does, and we can do that. Actually, in their proposal to us.... a proposal is simply that, it's not necessarily what we're going to do, but they had proposed the Santa Feans telling the story of Santa Fe, so it fits right in. You mentioned that there was no Santa Fe local firm that could do the job. Really, what we have to say is if there were, they did not respond to our RFP and they did not ask for the business."

Councilor Dominguez said, "I certainly understand if businesses from Santa Fe don't want to participate, that's their prerogative. I do still question whether we're doing enough to make sure we get the message out to businesses that this opportunity does exist. I guess I could ask you, what did you do to try to get the word out to local businesses, but even at that, they have to have a desire to do that in the first place. And I don't know that anyone up here has said there are no local businesses that can do it or that want to do it. Are making sure that we spread the net as far and wide as we can, so we can get the business done that needs to be done, and that it's done the best for the amount of money we're spending."

Mr. Randall said, "I think we're always going to try to broaden that exposure that we give to this. But as far as it being known locally and State-wide, I can assure you it was. It was advertised by policy. It was distributed to the Chamber of Commerce, both here and in Albuquerque. At the Western Area CVB meeting last year, it was announced that we were going to be looking for a firm. We have done as much as we can. We have found a few other sources that, frankly, would have given it more national exposure, and I'm not sure that's what the discussion was here today. As far as it being properly and thoroughly made known to firms in New Mexico, I can assure you it was. It's interesting, the State contract, they've just gone out for RFP, if I can take just a minute, which is a contract of $6 million. They had 8 responses, 4 from New Mexico and 4 from out of State. And the 4 from New Mexico, were not any of the 3 that applied to ours. It take a lot of effort to respond to an RFP, there's no question. But why 4 in New Mexico responded for the $6 million, and they are not full service agencies, so, I would presume, they are not going to have the opportunity to handle the entire account."

Councilor Dominguez said, "So you're saying that New Mexico agencies submitted for the State contract, but not for Santa Fe."

Mr. Randall said the 3 that submitted for Santa Fe, didn't submit for the State.

Councilor Dominguez asked if we know why.

Mr. Randall said, "It would be an opinion. I don't think there would be anything factual in it. I don't know why they didn't apply for this. And I have not seen the RFP the State put out, and if it allowed for a firm to satisfy a portion, rather than all of the needs, could apply for that portion. That is one thought, if they wrote their RFP to do that. One reason, I think, they didn't have as many applicants as we did, is because their current firm was reapplying. And the industry knew that the existing firm was not in the running, and the existing firm, if they're doing a good job, and promoting how great New Mexico is for tourists, the though would be that they would have an advantage over the other firms, the existing firm, because they did reapply."

Councilor Dominguez said, "What I will tell you, Mayor, as a final comment and I'm going to turn it over so I can see if I can't figure something out. I think the amendments certainly speak to the idea that we provide that local economy the opportunity to participate in this effort. I think being able to tell that story is something that needs to happen. It's important. I don't think though that it's going to happen even, Mayor with all due respect, over the course of a listening session or this idea you have to give people an opportunity to speak to this. I think that requires more of a culture shift, and I saw that in broad terms and in very narrow terms. Our community is going to have to have that discussion about what tourism means, but that's in the broad sense. But in the more narrow sense, I think that you and your staff and Tourism Santa Fe needs to facilitate and really encourage the tough discussions that you need to have happen."

Mr. Randall said, "We can commit to that, we really will. And I am in full agreement with you. And I don't mean to suggest that these two days of listening sessions and then we say, okay now we know it all, we're going to move ahead. It is simply to give us a starting point. And it's just the beginning of the input we're going to seek, not the end."

Councilor Dominguez said, "I don't know if this is possible, but if there is a way to incorporate that into this contract, maybe we do make the contractor be responsible for some of that. I don't know."

Mayor Gonzales said, "I would just add to that Commissioner Dominguez, before you go too much into that area, I think that's our responsibility. The story of Santa Fe and what we want projected to the world is on our shoulders, not a local or national agency. It's on our shoulders which means there will have to be a dialogue between Tourism Santa Fe and the Governing Body, and making sure we're able to endorse, and make sure we feel there is a process in place to allow Santa Feans to say why Santa Fe is so special and why we think the world should come see us, that that should be seen in this campaign."

Mayor Gonzales continued, "I would caution, in pushing into language, the need to require the Boston firm the responsibility of telling the Santa Fe story. And I would submit that, whoever the contractor is, that's going to be our responsibility in oversight. And if Randy doesn't communicate that with us and kind of goes off, then obviously we need to have conversations with him."

Councilor Dominguez said, "I completely and totally agree with you, Mayor; that's why I was having problems trying to figure out.... I don't want to go too far down the road. I was wondering if we, in the contract, could create some kind of obligation. There has to be some sort of report mechanism, at least to the Governing Body so we can understand what the challenges are. I think you said it's really in the management of the contract, but how do we mandate some of those timelines or goals in the contract. I don't know if we can do it. I'll just leave it at that."

Mayor Gonzales said, "One of the things I want to state, and then I'll have some questions. The economic impact of tourism on Santa Fe, if we want to talk about economic development and impact is anywhere between $800 million to $1 billion a year. That means that small businesses that support the tourism industry are counting on us to get it right in an advertising campaign that's going to increase the number of visitors coming to Santa Fe, because that is what is supporting the local businesses. And we're talking about people who put money at risk for restaurants that are counting on people coming through their doors. We're talking about people who support the hotel industry, tour operators. The list goes on and on, of small businesses that have put their own capital at risk, counting on Santa Fe being able to get it right when it comes to tourism. And when I think about economic development and impact, that's where we have to measure it, is in the number of small businesses that see expansion opportunities taking place as the result of a thriving tourism economy. So that's one area."

Mayor Gonzales continued, "If I understand right, the $900,000 is not the profit, that's the contract in its totality. So what I would like you to explain to us is whether it was a local firm or the Boston firm, how much of the $900,000 contract would be spent on advertising, or a guestimate of it."

Mr. Randall said, "Of the $900,000, approximately $220,000 will go to fees and commissions the agency would earn on the media. The balance of $680,000, would encompass production and media. I would assure you that about $50,000 is the total on that side. So it leaves about $625,000 out of the $900000 contract that would go to media."

Mayor Gonzales said, "Then any firm would pull about $200,000 in fees or commissions, so the majority of the money, regardless of who has the contract, should be spent outside of New Mexico advertising in areas where we want to attract a certain demographic. Is that correct."

Mr. Randall said that is correct.

Mayor Gonzales said, "And what I understood when we had the conversation on this, is that the idea of local participation in this contract is not about advertising agency participation. This about the small businesses, a part of our creative economy, having a legitimate and real opportunity to participate in telling the story of Santa Fe, either through a video camera or design, that ability is what we've got agreement on from the Boston agency, that local, creative talent will drive content in terms of that type of medium."

Mr. Randall said, "That's correct, as well as social media, I would add. And the social media has to come locally, that's what it's all about."

Councilor Trujillo said, "I never disagreed with the way the procurement process was done, that the procurement process was followed. I follow this procurement process at the State level, and I know sometimes these contracts get sent out of State. That's the name of the game. It happens, and it happens at the State level. My whole concern, and what everybody on this Committee wants, is yes this money is being filtered out of State. And I understand. You made it clear. You said when I asked the question, that's not one local firm from Santa Fe or New Mexico that can do this. And Cynthia commented, she said Councilor if there was, they didn't apply. I understand that. My hope is that somehow that money goes to Boston that somehow, some of it gets filtered back. And I think exactly what is being said and put forward today is a good start."

Councilor Trujillo continued, "But I guess the other questions I'm having dealing with this.... and my question for you and your staff to look at, is why didn't they bid. These are things I want to know from them, and I think before we do a $50,000 study to find this out, we can easily do it with a simple telephone call, and asking them why. And that information can be brought back to the Governing Body so we know the reason why this means out-bidding or they keep it."

Councilor Trujillo continued, "And the other thing I just heard now, was stop this bid completely. Bid the RFP, let's start from scratch. Well I have questions on that. Are there repercussions. And is there a possibility of the firm that got the bid coming back and saying I'm going to sue Santa Fe. That's another repercussion I'm looking at. I don't want to be spending another $500,000 in lawsuits."

Mr. Randall said he agrees, and Legal could give us a better idea on that. I think that to throw this RFP out now and start all over again would be a big big mistake. We're not rushing to get into it. We've already placed the media using our old firm, through June. We thought this through seriously. And we know it's going to take some time to get a start up and get the program right. So, we have gone ahead with media, because we feel it's very important that we don't go back. It really isn't the message he's looking for in this, reiterating it will take time to get it built up. However, to add another 90 days to the process now, we would dramatically regret it as we look back on the results."

Councilor Trujillo said he isn't a professional, an expert, and Randy that's why you have your job. You're the expert and the one who comes back and tells us.... in all the time I've been on Council, we have approve these RFPs and the creative minds should go with it. He said, "A few years ago, they had a naked clad lady on our bus, and that's just Santa Fe. And to this day, to whoever did it.... and I hate to go back to it, but you saw *The Bachelor.* You saw her with a sombrero, and that was a slap in the face, in my opinion, to me and the people that live here. That's my thing.... and I'm not going to hold it. I'm hoping that they come back here to Santa Fe and they talk to the local people here in Santa Fe as to what really represents Santa Fe. The people. The culture. Our City. That's what I'm hoping that comes out of that contract. There's a lot more to Santa Fe than just the Plaza, the architecture. There's a lot more. You know that. This is a City that's been around for 400 years and there's a lot more to it. This is all I want is somehow we can say to the people here in Santa Fe, we do understand, but this contract will go out of State, that we're working on it. We do want to funnel some of that money back here to the local people and business, and help those businesses and keep some of that money in this community."

Mayor Gonzales said, "What I meant, is not that we would decide how the creativity, the story, the narrative is our opportunity. If we accept that opportunity, you can bet there won't be a sombrero on any of our advertising campaigns, or alligators in the Rio Grande. And that's the difference between having control over the content and the story line, versus a reality TV show that actually encourages them to be thinking that way. So that's the issue that I think we have the ability to do in this."

Councilor Maestas said, "This generated a lot of discussion in Finance Committee, as you recall, Randy. And I'm not going to restate what's already been said. But what I will say is I have been receiving a lot of public feedback about the sheer amount of the contract and the fact that it's a firm out of Massachusetts. And I know that really can be inflammatory to a lot of people. But I don't think we should set aside this meeting for you to bring us up to speed on advertising, the nature of advertising and the market, because it will take a lot longer than two hours."

Councilor Maestas continued, "I would urge my colleagues not to put the brakes on this, but maybe strike a compromise, and consider limiting the term of this for one year, take the option to renew to give us time to convene an appropriate committee to redesign the RFP for the future. As I look at the statement of work in this contract, a lot of the elements in there are strategic planning, developing themes, kind of laying the groundwork for an advertising campaign. And frankly, that's why I think a high caliber firm could benefit the City, but it lacks the local component, and even an incentive to mentor small tourism and marketing firms that are local."

Councilor Maestas continued, "Maybe the way we issue these RFP's needs to be reconsidered. Most of them are from the southwestern states, the surrounding states. One of things we're talking to the County about is how do we coordinate and leverage our resources to market a lot of the outdoor amenities and adventures here. That's why I think it would behoove us to maybe stick with a southwest or Rocky Mountain firm. There are also a lot of outdoor amenities, so maybe we should really think close to home.

And even if we have the services of a national firm like this one from back East, so be it, but we can benefit from it now in helping us with our strategic plan, developing that marketing plan, and then we can take hold of where we want to go, what resources we want to apply that utilize the expertise and benefit from the national firm."

Councilor Maestas continued, "I would advocate for just removing the option to renew and make this a one-year contract and have this firm focus on the strategic planning and creating the advertising themes, and that will give us time. And maybe Mr. Hendry can lead this effort. Okay, how should this RFP change. If it's old hat, what changes do we need to make, and I think we can do that in a year and come up with an RFP for tomorrow that addresses all of our concerns for helping these local firms, mentoring smaller firms, leveraging the resources and making sure the money stays here as Councilor Trujillo advocates. I say, lets be prudent, let's not put the brakes on this. Let's get to work on the future RFP for this scope of work and eliminate the option to renew. That would be my recommendation Mayor."

Mayor Gonzales said in most contracts we have the opportunity to terminate any contract.

Mr. Randall said it's a 4 year contract renewable annually, and there is a 30 day cancellation

Mayor Gonzales said then we could come back at the end of the year, through some evaluation process and some metrics, to determine whether there is local participation. At that time if it isn't working and they're aren't meeting their commitments we can terminate the contract. He asked Mr. Randall if this is correct.

Mr. Randall said, "I believe that would be correct, but I think at this point, we really couldn't make it a one year, because it was advertised as a four-year contract, so it would negate the RFP. And frankly, these agencies they front-end the four-year. The fourth is far more profitable for them in the first year. They come up with a good concept, and we don't want to change the concept every year. We want to get a good concept and then ride it for a while, so I really don't think that would be possible."

Councilor Rivera said on page 6, Item C, the highlighted portion talks about subcontractors. Who does a contractor typically subcontract with for services.

Mr. Randall said, first of all the social media is a part of it, we currently use two locally. Film production, editing services, videography. There are a lot of services.

Councilor Rivera asked, "Of the $625,000 that is used to actually put the City out there, how much of that is for subcontracted work. Is it typically half, a fourth."

Mr. Randall said, "No. Most of that would be for the actual purchasing of the space, be it digital, print or radio. The creative work, if it's a radio ad, what is said, or if it's for photography, videography, and there's a research component as well could be $50,000 to $100,000, would be the range.".

Councilor Rivera said, "I do appreciate what Mr. Hendry said. I think $900,000 is a lot of money, per year for up to four years. If we could keep some of that money locally. I do appreciate the changes that were made, and again I think this is within our purview to do, to scratch out in the highlighted area it says, 'Contractor will,' scratch out 'use its best effort to,' and leave it so it reads, 'Contractor will subcontract with local Santa Fe businesses.' It doesn't give the option to look around and decide to do whatever they want to do, it says they will use Santa Fe subcontractors. That brings some of that money back to our local businesses, allows some of that money to stay in our community and allow some of our own story to be told. I think that's what everyone's been talking about. That's a change I would recommend even if it stays a four-year contract, then it's within our purview to use any subcontractors from within the City."

Mr. Randall said he doesn't think there would be any problem with that, notifying the agency has said it will work with us any way we would like to make sure this happens. Procedurally, I don't know how you do it."

Mayor Gonzales said, "Councilor Dominguez is working on a motion, but I want to allow the Councilors to ask questions before he offers it."

Councilor Ives said he was going focus on that same provision. He said, "I'm curious for Subsection C that it appears in a segment called Status of Contractor responsibility for payment of employees and subcontractors. It seems that Item C under Section 2 on page 4, which is the standard of performance, because we're talking about the highest level of performance, if you refer to best efforts, diligent efforts or reasonable efforts. To me that's an incredibly high standard, if they agreed to it that they're willing to take on in terms of utilizing local folks. Any thought on that."

Mr. Randall said, "I would think you could approve the basic contract, with legal giving them the ability to get that properly placed, if that was satisfactory."

Councilor Ives said, "In that same provision, it says, '.... *businesses to serve Tourism Santa Fe and build the Santa Fe brand.*' And I wonder if it might be better referenced back to the Scope of Services in Section 1, a reference to indicate they would be using best efforts to engage essentially Santa Fe based contractors to satisfy the scope of services. That to me seems to tie it up a little tighter to get that point across.

Councilor Ives said, "Section 1(B) on page 3, talks about, '*The above services may be done in a local environment*,' and I assume that's a reference to the Santa Fe environment. I guess I would prefer that be explicit rather than just 'a local environment.' And then it says, '.... *it may include but may not be limited*,' and I think it more appropriately should say, '... and may include but shall not be limited to creative development, etc.' So just a few tweaks on the language to capture the affirmative amendments we're making to say we really want you to engage folks from Santa Fe as part and parcel of what you're doing."

Councilor Ives continued, "With those changes, I too am ready to move this forward, and certainly would concur looking at how do we do this better in the future. But I think that does ensure that we're looking at getting local people involved. And again, just because 'best efforts' is a very high standard under the law that they would be agreeing to comply with."

Councilor Dominguez said, "So I have a motion. It's going to be a little bit more than what was articulated through the course of the discussion, but I think the message is loud and clear that we need to be as local as we can be. And it just doesn't refer to the tourism industry and this contract. But I think that general, and overall, Robert that it needs to be as local as possible, whenever and however we can."

MOTION: Councilor Dominguez moved, seconded by Councilor Lindell, "to approve this request, with these changes:

On page 6, Section C, that the words 'use its best efforts to,' be stricken;

On page 6, section B, that we include the words, 'The above services may be done in a local Santa Fe environment and may include, but shall not be limited to creative development, production photography, so on and so forth.' I think that captures your stuff, Councilor Ives. [And Councilor Ives said, on that particular point yes.]

On page 2, on number 12, I guess is where it would be, I don't think this would be too impactful on the company, but that we include language that says number one, 'That the company basically would report what has been done to support the local economy, (2) How the contractor has reached out to the local economy, so I want to know if they went door to door, if they just put an advertisement in *The New Mexican*, what they did to do some of that outreach, and the outreach will speak to complying with Sections B on page 3, and Section C on page 6; and (3) the company report to us the number of local Santa Fe businesses they've hired."

And that would be to the contract. I think we need to provide some direction to staff."

CLARIFICATION: Mayor Gonzales said I want you to provide that direction, is it going to go in the requirements, or do we provide that direction once we know we're going to adopt this. Councilor Dominguez said, "Well yes, I guess if it gets voted down."

DISCUSSION: Councilor Ives said, "I'm not sure that the intended effect of removing 'use its best efforts,' has the effect that you're interested in, looking at page 6, Subsection 7(C), from the perspective of removing that language. It says, '*Contractor will subcontract with local Santa Fe businesses.*' So if they use two they presumably have met that burden. I think if you had the requirements to use best efforts, that again is one of the highest standards of conduct under the law, and actually might be interpreted to more significantly require than to engage locals than not. At least that's the way I would read it."

FRIENDLY AMENDMENT: Councilor Ives said, I would propose a friendly amendment in there, but move that Section to become Section 2(C) under Standards of Performance. Because really, we're saying that as part of their performance of scope of services. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE GOVERNING BODY. Councilor Dominguez explained, "I would accept that as friendly. I think we can move it there, and also I think that just some of the inclusions that we have in the scope under number 12 kind of captures that. I think the trick will be when they do that reporting, how would we know whether or not there was enough outreach, that they're meeting the spirit of the intent here. So I would accept it as friendly."**

CONTINUATION OF DISCUSSION ON THE MOTION, AS AMENDED: Councilor Maestas said, "I'm a little concerned about the first year, and there's an option to renew after the first year. I want a year-end report to be developed prior to the option to renew."

Councilor Dominguez said, "I have that in the direction. So, let's talk about direction to staff after we vote.".

Mayor Gonzales said, "In the packet, those small businesses we want to help are represented on the committee , I presume, and I think it is important for us to note that this wasn't Randy and Cynthia sitting in a room making a decision. It was a broad committee made up of individuals that are part of our tourism economy in the selection. So I have confidence in these small businesses, and what they say the direction should be. And I think in the area that Councilor Dominguez brought up, the portion that cost could clearly turn an advertising dollar investment, for me that's a key component. That we're able to baseline with the tourism spend today. And the one sure way to know we are creating economic benefit for small businesses, is if the measurement comes back better than what it was over this last year. And I'm assuming that *[inaudible]* on a quarterly basis, will provide that information Randy. The indicators in terms of the number of tourists that are coming into the dollar spent in the community, there's going to be a reporting mechanism for that. Would that be under 12.'

Mr. Randall said, "A portion of that might. The immediate information of occupancy results now lags this actual report, but they could be blended together."

Mayor Gonzales said, "That might be better in the direction Councilor Dominguez is moving in, but it is, for me the key component. I want to see our $800 million tourism economy go to $1 billion or $1.5 billion. When that happens, then all boats are going to rise in our community. We're going to see expansion of small businesses, creation of new businesses. We've got to keep our eye focused on the target, which I appreciate. And I'm an advocate for local businesses, but to me, it's more in my confidence that our local businesses, from a creative standpoint are far superior than any other town that is out there globally, in terms of how to show Santa Fe. And that's why I want them involved in this contract, moreso than just getting some portion of the contract from an economic benefit, because they will deliver on a message and a story that's so powerful, we're going to see our tourism dollars as whole rise, and that's good for everybody."

Councilor Maestas asked what direction are we going to give to staff to address Mr. Hendry's concerns, what should be the RFP of tomorrow instead of using the same model. He wants to be sure we follow through and he would like to hear some ideas from the selection committee as to what ideas they would recommend for a future generation RFP. He asked Brian Snyder to solicit ideas from that committee along with Jon Hendry for improvements to the RFP going forward.

Mayor Gonzales said, "Councilor Dominguez's direction to Robert, going local as much as we can across the board, means we have to have an RFP structure that is very clear and evident that's the path we want to go."

Councilor Dominguez asked Legal if they are comfortable with the changes we have made.

Marcos Martinez, Assistant City Attorney, said, "I have done my best to follow these changes. I think they are acceptable. I just want us to be cautious that we don't change a material term that was not advertised in the RFP process. I think what the Councilor suggested and what is going to be voted on now is acceptable."

VOTE: The motion, as amended, was approved on the following Roll Call vote:

> **For:** Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.
>
> **Against:** None.

DIRECTION TO STAFF: Councilor Dominguez said, "In terms of direction to staff, there's 3 things. 1) that we direct staff to facilitate reworking the RFP with the same committee that was in place that established this RFP. Actually there are 4. 2) I don't want to get into too much specific direction, because I think it's going to need input from the Governing Body as we move forward, but just to simply say that we look at reworking the RFP, and the specifics we can get into later. 3) In terms of timeline, the direction we give to staff is that 90 days prior to the one year renewal, when the one year is up, and I'm not sure if 90 days will be too much, but that you provide the analysis we've asked for in terms of how this has supported the local economy, all of the things we had in the scope under number 12."

Mayor Gonzales said, "And in that direction, the local economy, meaning the tourism economy as a whole, including the small businesses that have been utilized."

Councilor Dominguez continued, "So I guess.... is 90 days going to be enough Councilor Maestas. Does that satisfy... it gives us 90 days prior to renewal, really 60 days, to have that discussion."

Councilor Maestas said, "But, I don't want the last quarterly report, I want an annual report, a compilation, a summary."

Councilor Dominguez continued, "At 90 days, it will be close to a year and that gives us 60 days to be able to determine if we want to renew. 4) The last thing is directing staff to provide us with some metrics and measures on the impact of how this is benefitting the local economy and the local tourism economy as well, so I think there is some work that needs to be done to determine what those measurements are going to look like. The message is pretty loud and clear that we need to do as much as we can locally."

Councilor Maestas said we need a baseline, and asked when we establish that baseline, noting when we do that, the metrics have to be identified, otherwise we'll be mixing apples and oranges as we go alone.

Councilor Dominguez said the intent on the last one is to have the economic analysis.

Mayor Gonzales said those indicators are important because we will have more money in the Lodgers' Fund to advertise Santa Fe, so those metrics become very important if we want to determine whether we have a successful campaign.

Mr. Randall said the committee is not an expert on RFP's, so through staff and one or two members we could work with John Hendry on some ideas. He said, "I really think people who understand purchasing more than tourism need to work on the RFP."

Mayor Gonzales said it is being able to invite people who didn't participate, and others to come and say what was it about the RFP that basically kept you out of this, and what would you need in it to have encouraged you to participate, is something that will be helpful.

Councilor Trujillo said he has always been about fairness, union or non-union, he wants everybody to get in on this, and he wanted this stated as well.

END OF CONSENT CALENDAR DISCUSSION

11. STATE OF THE MUNICIPAL COURT. (JUDGE ANN YALMAN)

Judge Yalman thanked the Governing Body. She said if you read the papers, you know the problem solving courts are in trouble, and this Council and City Manager have continued to support the Municipal Court with what we've been doing, and she wanted to thank them. She said, "I'm not here begging for money, which other courts are having to do. So I wanted to briefly tell you about some of the Court's problem solving matters that you're supporting."

Judge Yalman reviewed the information in her Memorandum of February 13, 2015, to Mayor Gonzales, City Councilors and City Manager Brian Snyder, regarding State of the Municipal Court, which is in the Council packet. Please see this memorandum for specifics of this presentation.

Mayor Gonzales said he had the pleasure of having dinner at the Santa Fe Cooking School with the Court employees, who won the Mayor's Health Challenge and it was a great evening. He said they are wonderful people and very committed to Santa Fe, and he enjoyed the evening.

Judge Yalman said she also enjoyed the evening.

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MOTION: Councilor Lindell moved, seconded by Councilor Rivera, to reconsider the previous approval of the agenda, to move directly into the Evening Session, and move Items #12 through #19 to the end of the Evening Agenda, and to approve the agenda, as amended.

VOTE: The motion was approved unanimously on a voice vote with Mayor Gonzales and Councilors Dominguez, Ives, Lindell, Maestas, Rivera and Trujillo voting in favor of the motion and none against.

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END OF AFTERNOON SESSION AT APPROXIMATELY 7:25 P.M.

EVENING SESSION

A. CALL TO ORDER AND ROLL CALL

The Evening Session was called to order by Mayor Javier M. Gonzales, at approximately 7:25 p.m. Roll Call indicated the presence of a quorum as follows:

Members Present
Mayor Javier M. Gonzales
Councilor Peter N. Ives, Mayor Pro-Tem
Councilor Carmichael A. Dominguez
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Christopher M. Rivera
Councilor Ronald S. Trujillo

Members Excused
Councilor Patti J. Bushee
Councilor Bill Dimas

Others Attending
Brian K. Snyder, City Manager
Marcos Martinez, Assistant City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

F. PETITIONS FROM THE FLOOR

There were no petitions from the floor

G. APPOINTMENTS

There were no appointments.

H. PUBLIC HEARINGS

Disclosure: Councilor Maestas said, "If I could just read a statement. I disclosed at a prior meeting that I have an interest in a family owned business that owns an inter-local dispenser liquor license which is current for sale. I have stated on the record that I will be recusing myself, until the family license is sold, from voting on any inter-local license transfer request and from any discussion this body may have about inter-local transfer licenses in general. As a result, I will recuse myself from Item H(1) on tonight's agenda."

1) REQUEST FROM BOTTOMS UP, LLC, FOR A TRANSFER OF OWNERSHIP OF INTER-LOCAL DISPENSER LICENSE #2765, WITH PATIO SERVICE (ON PREMISE CONSUMPTION ONLY) FROM ABIQUIU SAINT- FLOUR, INC., TO BOTTOMS UP, LLC. THIS LICENSE WILL REMAIN AT THE PLAZA CAFÉ SOUTHSIDE, 3466 ZAFARANO DRIVE. (YOLANDA Y. VIGIL)

The staff report was presented by Yolanda Vigil, City Clerk, from her Memorandum of February 19, 2015, with attachments, to Mayor Gonzales and City Councilors, which is in the Council packet. Ms. Vigil said, the location is not within 300 feet of a church or school, there are staff reports in the packet regarding litter, noise and traffic, and staff recommends this business be required to comply with all of the City's Ordinances as a condition of doing business in the City.

Public Hearing

There was no one speaking to this request.

The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Ives, to approve the request from Bottoms Up, LLC, for a transfer of ownership of Inter-Local Dispenser License #2765, with patio service (on-premise consumption only), from Abiquiu Saint-Flour, Inc., to Bottoms Up, LLC, with the license to remain at the Plaza Café Southside, 3466 Zafarano Drive, with all conditions of approval as recommended by staff.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Rivera and Councilor Trujillo.

Against: None.

Recused: Councilor Maestas.

2) **CONSIDERATION OF BILL NO. 2015-2: ADOPTION OF ORDINANCE NO. 2015-3 (COUNCILOR RIVERA AND COUNCILOR BUSHEE). AN ORDINANCE RELATING TO THE NATIONAL ELECTRICAL CODE AND THE NATIONAL ELECTRICAL SAFETY CODE; AMENDING SUBSECTION 7-1.1 SFCC 1987, TO ADOPT THE 2014 NATIONAL ELECTRICAL CODE, AS AMENDED BY THE STATE OF NEW MEXICO AND THE 2012 NATIONAL ELECTRICAL SAFETY CODE, AS AMENDED BY THE STATE OF NEW MEXICO. (TOMAS MONTANO)**

The staff report was presented by Tomas Montano.

Public Hearing

There was no one speaking to this request.

The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Trujillo, to adopt Ordinance 2015-03 as presented by staff.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

Absent for the vote: Councilor Ives.

2) **CONSIDERATION OF BILL NO. 2015-3: ADOPTION OF ORDINANCE NO. 2015-04. AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE CITY OF SANTA FE (THE "CITY") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED $37,375,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF ADVANCE REFUNDING THE NEW MEXICO FINANCE AUTHORITY CONVENTION CENTER LOAN DATED MARCH 28, 2006 AND TO PAY COSTS OF ISSUANCE AND PROCESSING FEES ASSOCIATED WITH THE LOAN AGREEMENT; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE REVENUES OF THE CITY'S LODGERS' TAX AND CONVENTION CENTER FEES; APPROVING THE FORM AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT. (OSCAR RODRIGUEZ)**

a) **REQUEST FOR APPROVAL OF LOAN AGREEMENT – CONVENTION CENTER REFUNDING; NEW MEXICO FINANCE AUTHORITY.**

Marcos Martinez, Assistant City Attorney, said he would point out that the principal amount has actually decreased, and Dwayne Brown, bond counsel can speak to that.

Mayor Gonzales asked Mr. Brown if the amount decreased.

Dwayne Brown, bond counsel, said the amount of the loan is decreased to $33,790,000 from number that was in the original draft Ordinance, and said has the updated Ordinance and document for Ms. Vigil.

Mayor Gonzales asked if we are considering 3 or 3(a) right now.

Ms. Vigil said they can be considered and voted upon together.

Public Hearing

There was no one speaking to this request.

The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Ives, to adopt Ordinance No. 2015-04 [Item 3] as amended, and to approve Item 3(a).

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

4) CONSIDERATION OF BILL NO. 2015-4: ADOPTION OF ORDINANCE NO. 2015-5 (COUNCILOR IVES). AN ORDINANCE APPROVING A LEASE BETWEEN THE CITY OF SANTA FE AND JET CENTER AT SANTA FE REAL ESTATE, LLC, FOR THREE PARCELS OF CITY-OWNED LAND TOTALING 2.77 ACRES, MORE OR LESS; LOCATED AT THE SANTA FE MUNICIPAL AIRPORT FOR DEVELOPMENT OF SUCH PROPERTY FOR THE PURPOSE OF PROVIDING FIXED BASE OPERATION SERVICES AND OTHER RELATED PURPOSES. (JON BULTHUIS AND ZACHARY SHANDLER)

a) REQUEST FOR APPROVAL OF LEASE AGREEMENT – DEVELOPMENT OF FIXED BASE OPERATION SERVICES AT SANTA FE MUNICIPAL AIRPORT; JET CENTER AT SANTA FE REAL ESTATE, LLC. (JON BULTHUIS AND ZACHARY SHANDLER

A copy of *Proposed Amendments to Bill No. 2015-4 Santa Fe Jet Center Lease*, with attachments, submitted by Councilor Peter N. Ives, regarding Item H(4), is incorporated herewith to these minutes as 8 "3."

A Memorandum sent via email on Tuesday, February 24, 2015, to Signe I. Lindell with a copy to Jon Bulthuis and Kelley Brennan, from John Elling, 540 Monte Alto, regarding the Proposed Airport Leases to the Jet Center at Tomorrow's City Council Meeting, is incorporated herewith to these minutes as Exhibit "4."

Public Hearing

Mayor Gonzales gave each person 3 minutes to speak to this request

Allen Ashcroft, General Counsel, Landmark Aviation, the existing FBO on the Airport. Mr. Ashcroft said, "I brought with me Ted Hamilton our Chief Operating Officer and Jeff Miller our local manager. I just wanted to introduce them to you. The packet that the Council received contains a letter on my signature from Landmark Aviation, outlining reasons that there really shouldn't be a second FBO on this field. The business just doesn't support it to do that. I guess, more importantly, suggesting to the City very strongly, that there are a myriad of consultants who are very very good in the United States who do this every day to consult with cities and airports and all, and we've not been provided no information or any

evidence that the study and the undersealing that's necessary to properly place a second FBO, whatever the number is, which has been undertaken in this process. Again, any business wants to limit competition as much as they can. I'm not going to sit here and lie to you and say that's not part of the issue. But way beyond that, if there's going to be competition, if you're going to put in another FBO, with all due respect, we would submit it should be done right, and it should be done in the way that the FAA and the aviation community would expect it. But assuming that is a *fait accompli*, and that decision has been made, and the business decision of the City is final, on that point we did make some challenges to the lease."

Mr. Ashcroft continued, "We have FBO's in 66 airports around the United States, Canada, the United Kingdom and France. We have at least 66 leases, and in some airports we have many more leases than just 1. This would be one of those airport, so collectively, we probably have 100 leases. We've done development on many fields. We recently completed a $40 million development of 5 hangars in 35,000 sq. ft. terminal building in San Diego, California. In every development lease that I'm aware of, and that Mr. Hamilton is aware of, there are strict deadlines and strict requirements on the development. There needs to be specific square footage for hangars, or minimums at lease. There needs to be minimal dollars spent on these improvements, and they need to be meaningful and strict deadlines on getting the construction done."

Mr. Ashcroft continued, "I recognize that Exhibit B has been proposed as a change to the lease. Again, I would say that Phases 1, 2 and 3, are aspirational at best, because they say, '*We anticipate this will be finished. We anticipate that this will be finished.* The only thing that has been added that's got any teeth is the final paragraph on Exhibit B, that says, '*The construction must be begun within 36 months, and must be finished in 60 months.*' I just got through telling you, we finished a $40 million project for 5 hangars and 35,000 sq. ft. of terminal and we had one year to do it. And we finished it on time. The reason the City wants that done is you need to be sure you're going to get your infrastructure. You need to make the proposer put his money where his mouth is and sign on the dotted line and say I will get it done by then, or else I am gone. If you don't do that, then you're not getting what you bargained for. If you don't do that from our standpoint, it's a very unfair competitive situation that can lead to modular building out there for 3 years, rent a truck, put a tank on the skids on Parcel D and have no real infrastructure, while we're supporting 20 acres of infrastructure. We ask Council to table this, to go back and study it. We'd be happy to work with you and happy to work with the second FBO for a meaningful process to get to a proper lease, to consult outside third party consultants for a more proper consideration of the situation. Thank you very much for your time.'

William Aneshensel, President, Aviation Association of Santa Fe, read a statement for the record as follows:

> We're a nonprofit organization with objectives of supporting both general aviation and the airport in Santa Fe. We welcome a proposal to expand aviation services at the Airport. First as a means of expanding the aviation gateway into the City. Secondly, to encourage business investment and

competition. Third, to meet the increasing demands from aviation, when I first moved to Santa Fe, 7 years ago, it was unusual to see a business jet on the field. We have seen as many as 20 in a single day in the past year and a half dozen is not an uncommon daily event. We think an expansion would create some skilled jobs that would go beyond the construction phase of the project. We support the City's economic and tourism initiatives. We think proceeding with this proposal will complement the improvements already underway and being planned at the Airport for commercial air traffic that will make tourism and business travel into and from Santa Fe, much more attractive. Thank you for your time.

Mayor Gonzales asked him to thank the Association for what it does for our pilots and that we appreciate it very much.

James Robins said, "My wife and I have been commuter residents of Santa Fe for 15 years. I keep two aircraft at the airport. One is a sophisticated airplane for business. One is a smaller aircraft for pleasure, and I promise my friends that all my comments will be positive. It's America. It's competition. Competition drives employment, improvement and quality of service. You must let Jet Center of Santa Fe go forward. The people behind Jet Center of Santa Fe have incredibly deep, local roots in this community – the Marchmens and my very good friend Ron Tarsen who has so committed his life to the freedom to fly and quality service at this airport and this is a great time to recognize that. By going forward with this, you will put an end to, I would call it, predatory pricing. You can call it monopolistic pricing on the part of Landmark Aviation, making decisions out of Houston, reporting to a $187 billion hedge fund in Washington. What has that got to do with Santa Fe. Nothing."

Mr. Robins continued, "I read the letter from Mr. Ashcraft. While the proposal pays lip service to alleged marketing, do you know what Mr. Tarsen has brought to this City. This is not alleged marketing. He has established one of the finest aviation service centers in the Country. People come from all over the nation for his avionics work, his mechanical work. I would take my plane down there any day. They are local people, what is now call Aero Services have been hired when they didn't know the difference between a flat head screwdriver and a phillips, and today are first class, wage earning local people with skills. It has to be recognized."

Mr. Robins continued, "In another part of his letter where he talks about a potential split of based customers, gentlemen, there is already a split of customers. Landmark says fuel. They do no service. Aero Services, hopefully soon to be Jet Center of Santa Fe does the work. They maintain small planes. They maintain big planes, they maintain jets. You come in here and get a flat, blow a rotor blade on a plane, chipped your propellor, God forbid, have an accident, you can't go to Landmark. You have to go to Mr. Tarsen's group which does superb work and will get you back in the air. That's service. The gallons are already on the field, give me a break. The gallons are leaving this field because of their predatory pricing. I have two friends that I can speak for, it won't go anecdotal, I promise you. They won't come here any more, so I tell them to go to Albuquerque, Hangar or Cutter, let Hertz get them a rental car and come

on up and have dinner. They won't go to Landmark. I hope you'll approve this. The Airport needs it, it's a great asset. It would be so good for the aero community. Thank you."

Tom Sansom said, "I have been around the Airport since 1976, started as a flight instructor. I was Chief *[inaudible]* for Game and Fish for 33 years, and recently retired. I don't have any financial interest in this at all, but I've seen hundreds of people come and go from the Airport over these years, almost 40 years, many business. I have to say that when there is competition at the airport it functions much better. I'm speaking in favor of competition, whether it's fuel sales and mechanics, whatever. If there's competition, it functions better for the people who work out of the Airport, the pilots and so forth. Another business would create a better tax base and more jobs. It is very difficult to speak against competition, virtually impossible. Landmark is a big outfit, they came here for the fuel sales because it was a monopoly. That's basically why they're here. They spent a lot of money because it's a monopoly. It's very difficult to speak against competition and that's why I'm here. I appreciate it."

Loren Krites said, "I hold the record for being employed the most years at the Santa Fe Airport of anybody. I started working there in 1965, retired in 2005, and I've done various jobs out there, mostly management. Retired from the State Police in 2005, managing their Aircraft Section. And I can tell you now, 1965 through the 70's there was very little to no growth at that Airport. It stayed the same, but when Santa Fe all of a sudden got on the map in the 80's, that place started growing. And I see enough business, I have for years, for two FBO's and I don't think one should monopolize the place. And I've all seen when most of the time that when there was one there that service suffers. Prices do go up like everybody said, hangar rents go up and the service goes. Like with my hangar that I leased from them, if you needed something done to it, get it repaired or anything else, after they'd been there a while, they really didn't care, because they were the only business in town. They had you. I think we need competition out there it so it really can be fair, and this new organization will be a New Mexico corporation and we'll be hiring more people out there. And one thing we need are jobs. There has to be a good consideration, and I don't think the one that has the most money should have anything to do with it. Thank you very much, sir."

Steve Ross, Chair, Airport Advisory Board, and a local attorney. He said, "We took this up in January, not specific to this vendor, but just the idea of whether competition and a second FBO made sense at the Airport. And the Board voted in favor of the concept, the concept being that a second FBO made sense. We haven't had a second FBO at the field in about 10 years, and it seems to affect the fuel prices. I don't know how many of you know this, but a lot of pilots use iPhones and iPads and things like that in the airplane actually, so a bunch of apps have sprung up. And there's one call called ForeFlight. So you can go into ForeFlight and you can select to see *[inaudible]* images. You can select to see a particular airport. You can put your finger on the airport and the frequencies pop up. The one thing you can see on that program are fuel prices. So as you're going across the country, pilots from L.A. going to

Chicago or Atlanta, they can pull the fuel prices up with the basic airport data. If we're going to be competitive with transit traffic and with our local pilots, we're going to need to focus on that and try and get the fuel prices more competitive with our neighboring airports. Myself, I have a plane at the field and I go to Los Alamos for fuel and have for some time. It's a lot cheaper up there, and it's a short 10 minute flight and it's worth it. We've been hearing at the Airport Advisory Board these kinds of comments for 4 years. I think the Board would agree with all the comments you've just heard, that competition is a good thing."

Mr. Ross continued, "There's another thing to think about, and it seems to me the Airport on a really positive track right now, and there are a lot of things that can spring free. We have really disproportionate service for the size of our Airport and it's something that's important and fuel prices obviously enter into that. The airlines are extremely sensitive to fuel prices. The more competition, the more we can focus on economic development at the airport. You'll see more revenue from the airport, you'll see more taxes and you'll see more jobs. And those are all things that were important in our discussion in January."

Mayor Gonzales thanked Mr. Ross for leading the Advisory Board. He said one thing he has learned from Mr. Ross and others is that the Airport is very special to small plane pilots, and there is a strong association with a group of individuals that are part of the community that fly. He said he didn't know Mr. Ross was a pilot in all the years he's worked with him. He asked, "Is there a method to provide feedback and evaluation of services generated by the City or to the Airport Advisory Committee, in terms of are our needs being met by an FBO, or is maintenance being done appropriately on the runways. Some of the key metrics. Do we have a method or evaluating how we're doing."

Mr. Ross said there is nothing formalized, but we are starting the master plan process. He said, "There is a Master Plan in place from 2002 and it's been completed. It's amazing if you look at it, everything that has been planned for has been done. So we need to have another master plan to look at the next 10-15 year chunk. And that is certainly an avenue for people give input and the Airport Advisory Board is a great place to provide that input. There's nothing organized. I can't recall putting out a survey or done anything more."

Mayor Gonzales said, going forward it would be nice to have a set of indicators that measure whether we're hitting the mark at the Airport. We talked a lot tonight about competition and fuel prices and how that can actually attract. The question is, what would be a key indicator if we approve the lease and there are two FBO's, and an indicator can be price, for sure, or level of services, some of those things that are out there. If it is approved, obviously we'd send the direction to Jon, but I think it's the Advisory Committee's opportunity to be able to set some of those metrics and figure out a way to make sure we're meeting them.

Mr. Ross said, "We'll try and do that. That's a good idea."

Gary Dawson said, "I've been flying out of this Airport for 30 years . And I've seen it with one FBO and with 2. The one started maybe 10 years ago, and 10 years ago, there was much less traffic, fewer airplanes and everything else on the field, but there was still room for two FBO's, and they both did quite well. Other than that, I'm just a proponent of free enterprise and competition. I think competition and free enterprise are what runs things here. I would really would hope you would take that into consideration."

The Public Hearing was closed

Councilor Lindell said, "One thing I did want to draw attention to the Councilors is a letter than was on everyone's desk that came from John Elling [Exhibit "4"]. About the 4th or 5th paragraph down, he says, 'Not only do general aviation planes not stop in Santa Fe because of the cost of fuel, the locals fly to Los Alamos to fill up.' This is the second time we're heard that tonight.

MOTION: Councilor Lindell moved, seconded by Councilor Rivera, to approve Item H(4) and Item H(4)(a) with the amendments.

DISCUSSION: Councilor Maestas said he has talked with people involved in the aviation business, and they said we shouldn't turn down a request for a new FBO, and it is contrary to the FAA's competition guidelines for airports. He asked Jon Bulthuis to speak on the FAA requirements, noting he read information that says if we stifle competition, this would affect our Airport Improvement Planning Funds and things like that.

Jon Bulthuis, Director, Transportation Department said, "On page 3 of the packet is my introductory memo and there is a quote in the Memo from the FAA Rules and Regulations that speaks to this item specifically. But in summary, airport sponsors like the City are required to entertain and not unreasonably prevent business ventures like this from coming on board. We have worked over the last several months with the proponents to refine their proposal to get it to where concerns that have been expressed over that time have been addressed. We feel strongly that this private investment in the Airport is a good business move for the City to take. And certainly we do have to comply with our FAA Rules and Regulations and Grant Assurances. So, in working as we have, in bringing this proposal forward, addressing concerns that have been raised, we feel we're at that place."

Mayor Gonzales said, "Jon I just want to say, job well done. You've done a great job out there. You're picking up some pieces. You're helping to move the Airport forward in terms of the master planning process, and I'm very very appreciative for how you stepped into the Director's position and brought stability as well as creating some force to move forward. Just wanted to say, good job. We don't get to tell you enough, so thanks for it."

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

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The Governing Body then resumed consideration of afternoon Agenda Items 12 through 15

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12. CONSIDERATION OF RESOLUTION NO. 2015-22 (COUNCILOR IVES AND COUNCILOR BUSHEE). A RESOLUTION SUPPORTING PROPOSED STATE LEGISLATION, SENATE BILL 279 (SB 279) AND SENATE BILL 280 (SB 280) RELATING TO WATER CONSERVATION MEASURES. (CARYN GROSS)

MOTION: Councilor Ives moved, seconded by Councilor Maestas, to adopt Resolution No. 2015-22, as presented..

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

13. CONSIDERATION OF RESOLUTION NO. 2015-23 (COUNCILOR IVES). A RESOLUTION SUPPORTING PROPOSED STATE LEGISLATION, SENATE BILL 498 ("SB 498"), RELATING TO PUBLIC UTILITIES – LIMITING COSTS THAT CAN BE CHARGED BY CERTAIN PUBLIC UTILITIES WITHOUT NOTICE AND HEARING. (JOHN ALEJANDRO)

MOTION: Councilor Ives moved, seconded by Councilor Trujillo, to adopt Resolution No. 2015-23, as presented.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

14. REQUEST TO PUBLISH NOTICE OF PUBLIC HEARING FOR MARCH 25, 2015: BILL NO. 2015-6: AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987, TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT THE RAILYARD PARK FOR THE BIKE AND BREW EVENT (COUNCILOR LINDELL AND MAYOR GONZALES). (KATE NOBLE)

Disclosure: Councilor Ives said, "I think I have to recuse myself because the Trust for Public Lands still holds the conservation easement, so I abstain from the matter.

Mayor Gonzales asked to be added as a cosponsor of the bill.

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

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

Recused: Councilor Ives.

15. CASE NO. 2013-116 & 2014-82: REQUEST FOR APPROVAL OF THE RECOMMENDATION OF THE CITY ATTORNEY PURSUANT TO SANTA FE CITY CODE SECTION 14-3.17(D)(6) THAT THE GOVERNING BODY DISMISS THE APPEAL OF CELLULAR PHONE TASK FORCE, ARTHUR FIRSTENBERG AND FIFTY-ONE CITIZENS, FROM THE OCTOBER 30, 2013 DECISION OF THE LAND USE DEPARTMENT TO ISSUE A BUILDING PERMIT #13-2097 AND THE APPEAL BY THE CELLULAR PHONE TASK FORCE, ARTHUR FIRSTENBERG AND TWENTY-ONE CITIZENS FROM THE JULY 15, 2014 DECISION OF THE LAND USE DEPARTMENT TO ISSUE A BUILDING PERMIT #14-813 TO JOHN MALONE AND VERIZON WIRELESS REGARDING REPLACEMENT OF TELECOMMUNICATIONS ANTENNAS AT 1402 AGUA FRIA. (ZACHARY SHANDLER) (Postponed at February 11, 2015 City Council Meeting) (Postponed to March 11, 2015 City Council Meeting)

This item is postponed to the City Council meeting of March 11, 2015.

Mayor Gonzales moved Items #16 through #19 from the Afternoon Session to the end of the Evening Agenda

Break 8:00 to approximately 8:15

I. 2015/2016 BUDGET PLANNING DISCUSSION. (OSCAR RODRIGUEZ)

A copy of *Key Strategy Points*, a presentation to the Governing Body by Oscar Rodriguez, Finance Director, is incorporated herewith to these minutes as Exhibit "5."

Mayor Gonzales said hopefully this will be a series of conversations between the Council and the Finance Committee which is part of the Council, and staff to provide some guidance in developing the 2016 budget, in ways so that as Finance begins to shape the budget for Council to consider, that we would at least be able to send some direction that we all agree on with some of the parameters that should be in place.

Mayor Gonzales continued, "So maybe the presentation can be focused on stuff that we haven't seen and things you think we should consider, kind of what you heard from us individually, and also what you've heard from the Finance Committee, and maybe the Governing Body, if we can just kind of wrap it up on that point when we finish up so we can all make sure which you think you heard from us, as we look at it, is in fact what we've said to you."

Oscar Rodriguez, Finance Director, presented the information in Exhibit "5" via power point. Please see Exhibit "5," for specifics of this presentation.

Mr. Rodriguez said, "I guess what I'm telling you at this point is, unless we hear differently from you, this is how we intend to develop the budget, and just to be really clear, hear differently from you as a body. We have had requests for information by individuals, but we do need the direction of the body so that what comes back to you, as much as possible, addresses the needs of the body as opposed to different things that we've heard from different people."

The Governing Body commented and asked questions as follows:

- Mayor Gonzales said, "Oscar, from my standpoint, you captured what I understood we talked about at the last meeting. So basically, what you're telling us here is that we can keep service levels as they exist today. We can develop a strategy that helps us build reserves and invest in priority areas if the Council decided we wanted to invest in more programs that reduce domestic violence, or reduce the drug flow in. We would get to prioritize where that would go. About raising property taxes, is there is any assumption in here that there would be consideration for raising GRT tax to cover some of this. And if not, is the key bullet here, *Current expenditures should be covered with current revenues,* which means the only way you can match what current revenues are today, which is to reduce current expenditures, which you have to do without decreasing service levels. And is the methodology for doing that, elimination of positions that are vacant. Is that right."

Mr. Rodriguez said, "Exactly. Now that that doesn't mean even across the board, I guess. We aren't recommending anything across the board. What we're talking about is that there will be some priority areas which would get increases in staffing, but other areas where there are vacancies, some of those positions would be removed."

- Mayor Gonzales said, "So the question of consideration of a GRT tax. Would that need to be considered by the Council in any of these assumptions, if we're able to identify enough positions that are currently vacant to eliminate to meet the financial goals of the strategy."

  Mr. Rodriguez said, "Not at this stage. Because, first of all, we do it without raising any of those rates. After we try this, if it seems like it would be infeasible, based on our guidelines here to do that, then we will come to you with a budget that recommends an increase in the GRT."

- Mayor Gonzales said, "So the first goal would be to try to deliver service at current levels through elimination of existing, funded positions that are currently vacant, that the Manager and yourself would present to the Council for consideration based on priority service levels. So that would have to be a determination that the two of you make and the recommendation that is made to Council that those are positions they would want eliminated or not. Is that correct."

  Mr. Rodriguez said yes.

- Mayor Gonzales asked, "How long would take to get to that point, where we're actually presenting the number of positions in year 1, year 2, year 3 and which ones those would be, once the Council does consider that, or Finance Committee at lease."

  Mr. Rodriguez said, "As part of the budget."

- Mayor Gonzales said, "With the draft budget, you would have the positions that would be eliminated, the revenues.... basically with the elimination of the positions, the current expenditures would decrease, and they would decrease to the level of what we're anticipating the revenues to be, and revenues are anticipated to be about 1.5% greater than this year's revenues."

- Mr. Rodriguez said, "And let me give you just a little perspective here. If you took a *[inaudible]* today of all the vacant positions, just in the General Fund for example, there are a good 200 positions – it is as low as 180 and it could be as high as 210. It kind of stays at that level. 150 positions, for example, on the average, would generate some $6.2 million."

- Mr. Rodriguez continued, "As I mentioned to you, the challenge we have is not even the $2.1 million deficit this year. It's more than a one year problem, it's more than a $2 million problem. The challenge that you have is the $10 million that comes to you after some $90 million we lost over the past several years and the City did all kinds of things to try and just bridge things over. So it's going to take some time and a lot of resources to finally repair that. And so we think that we

can get there with a plan in a constructive fashion, in true very transparent fashion, with you seeing the progress all along the way, and next year will be that first step. So again, we're not going to get to 45 days of ending balance next year, but we'll try and put a couple of days there. We're not going to get to our debt versus total operating costs, but we hope to get there over time. And we'll see that through elimination of positions."

Mr. Rodriguez continued, "Now I clearly understand Council's interest in making sure that as positions are eliminated, or some of those positions are transferred to other programs, that there's a plan that you get to sign off on that plan and that will be called the budget."

- Mayor Gonzales said, "And I don't know. This may be a question for Councilor Dominguez, but thinking more long term, how do we have a discussion on establishing a proper level of GRTs and property tax revenues. We went for a large period of time in the 80's getting the uptick of the line on GRT and that means tourists, to fund expansion of services, and did the right thing in keeping property taxes low, because property values were high, and they still are in the town. But we are close to, or at capacity with GRT, even if we go up. A increase creates a challenge for us from a competitive standpoint with other cities around New Mexico that are trying to grow their economy. How do we have a dialogue on what the proper rate should be, and build a strategy to adjust to those rates over some period of time."

- Mayor Gonzales continued, "And I guess the point being if SB 101 goes into play, that $11 million problem we're seeing here, happens next year. There is not enough GRT to cover the $11 million, which means we will go for a reduction in services or we look at property taxes in terms of raising funds to meet those needs. Thankfully, and hopefully that doesn't go into play."

- Mayor Gonzales, "But having said all that, when we look at building the strategy over the next 10 years, how do we have a conversation of funding services largely on GRT and trying to keep property taxes low for the public. Or is there a mechanism where we are able to have some thoughtful dialogue, as there is a need to grow revenues, there is adequate consideration of where the tax rates are and where they need to be. I don't how to make that happen."

- Councilor Dominguez said, "The best way I can answer that is we need to test it, test flipping the GRT and property tax. So, in other words, if we increase property tax, however much we can increase it without having to take it to the voters. And if there is a way to reduce the GRT what does that look like. Because it comes down to the fact that property tax is much more stable than GRT, that's the obvious and known. And so, if we can introduce some stability, what does that look like in the long term. And then we can start to have discussions about what the proper way should be. But until we get some stability, that's one way to do it I suppose, until we get that stability I think it's going to be difficult to plan long term, given what we heard today about SB 101."

- Councilor Dominguez continued, "When I look at that chart right here that shows the phase out Hold Harmless versus the percentage of GRT, even if we do a 1/8% increase, by the year 2019, we're there agin. So when you go the taxpayer, if you're going to increase their taxes, do you want to do it in the short term or in the long term. Because by 2018-2019, we're going to have to look at another tax increase based on this right here.

- Councilor Dominguez continued, "I guess, to answer your question the best that I can is to look at ways to maybe foot that and get us out of GRT which is so unstable and more into property tax. And I don't know what that looks like."

- Mayor Gonzales said, "It is not only unstable, but it very regressive, and poor people in Santa Fe, and data shows a large population of people living at poverty levels. If we solely just look at the GRT. And what I heard tonight is there's a good chance we're not going to have to worry about tax increases, it's more about tax policy which Councilor Maestas has talked about a lot as well. But, I would like, at least over a two year period, to figure out a way to have dialogue on the distribution of revenue, or how it's generation in ways that provide that stability long term, and doesn't leave us vulnerable with the whims of an economy, or a political environment at the State Legislature that can cause an $11 million annual hit overnight."

- Mayor Gonzales said, "We've all come out against the tax proposal to come back in, because we think that's very bad for the low wage population. But when you do that, there's a significant impact to the revenues of the City and the ability to provide services to its community when there is not a substitute for it. At some point, from my standpoint, I would love to see the Finance Committee go down a path that, one, stays within the parameters Oscar has presented, which is service levels stay the same, current expenditure match current revenue, that we allow the staff to come forward with a reduction in FTEs that are coming from vacancies to get us through this year, and get us positioned to go into years 2 and 3. At least, begin a study or a dialogue on where we want our rates to be, so long term, we have a healthy government that is providing and exceeding service levels for its constituency and isolate us from some of the risks that exist by being so heavily dependent on a tax that fluctuates very heavily with the economy, good or bad."

- Mayor Gonzales said, "That's one way of saying we did what we shouldn't have in the 1980's because there was so much tourism coming into the community, a lot of construction was happening and government was expanding. And until we can find and grow more permanent jobs.... I had a conversation today with Oscar, for example, so growing our GPD is not going to happen *per se* in our construction industry as it did in the 80's, because we're not going to see that expansion happen."

- Mayor Gonzales continued, "But the question is, if we can do something like a film economy where we have filming here 12 months of the year, then those jobs become permanent and not cyclical. So it's on the revenue side and that helps us to experience that growth happening again. When it happens if it is four years down the road, the Governor says we don't want the film incentive any more and we're doing away with it, and boom, we get the rug pulled from under us."

- Mayor Gonzales continued, "I would love to see over the next 12-24 months, some discussion of policy setting that comes through rates on some of these revenues. And I think that includes everything from a utility as well. What is the strategy when it comes to water rates over the next 3-10 year period, and how we make sure that stays healthy, and other fees out there as well, so we're not here every year waiting for a crisis that requires us to raise revenues to meet whatever those needs are."

- Councilor Maestas said this is a great 5 year plan to get us on the road to fiscal discipline and get over the recession, and this charts a long term vision. He said in looking at the budget assumptions, revenue enhancements aside, the General Fund could absorb the financial impact by implementing some of these assumptions now. We are seeing a decline in revenues, and before he signs off on this, he wants to know how we will come up with the revenues. He said there is a need for a one year plan, noting we are still working with stop-gap measures and it can put it on the right track to fiscal responsibility. We need to demonstrate we're doing all we can to tighten out belts. He asked what we are doing to tighten our belts. What can we do in the next fiscal year to tighten the our belts and exact savings through improving efficiencies. We need a comprehensive assets management system which is part of the path to financial freedom and not jump into a discussion about raising GRTs.

- Councilor Maestas continued saying people are out there watching. He said we need to focus initially on saving money by making our government more efficient and speak to the people in plain terms how we are going to tighten our belts and weather the first part of Hold Harmless. We need to realign our resources, noting CIP is funding labor in Public Works. He said, "Can you imagine the economic stimulus we're depriving the economy of by doing that. I realize keeping jobs is important, but that needs to change."

- Councilor Maestas said 97% of the Stormwater Fee is going to labor, and we're depriving the construction industry in our economy of that $1 million which isn't in the economy and multiplying.

- Councilor Maestas said we need to focus on tightening our belt, better managing our assets on a phased approach, look at fees we haven't visited in quite a while which aren't paying for the services behind those fees, so better align services and expenditures with our fees. He said he is still on the crusade to relieve the pressure on the General Fund, for example redirecting the GRTs from the water fund to the General Fund, $7 million we could use in the General Fund.

- Councilor Maestas said let's look at the first year. We have been putting off the hard decisions and kicking the can down the road, but we can turn the corner with a little more clarity by focusing on a one year plan and how to phase into the 5-year plan. He said in looking at these assumptions, there is no way the General Fund could absorb that without incredible revenue enhancement. We need to be careful about signing off on a revenue picture without looking at how we can tighten our belts. He said, "I think the public deserves that. The issue before us is how to solve this and do it in a responsible fashion, but demonstrate we are responsible in making their government as efficient as possible."

- Mayor Gonzales said he agrees we should have a one-year plan, but it needs to be built on basic premises. He said, "It isn't a one year plan that continues the band-aid, and in budget year 2016, we should start building the foundation of how we are going into years 2 through 5. The other issue to keep in mind here is current expenditures matching current revenues. If we can stick to that premise, that address the two issue you brought up which is tightening the belt, and when I think of tightening the belt, that is reducing vacant, funded positions and the idea of driving to efficiencies by examining business process in place currently, are ways we can deliver more effective service, which I think is important."

- Mayor Gonzales continued, "And that goes to the point that Oscar brought up, these gaps that exist in underfunded departments, for example IT where we have very substandard infrastructure, that if we invested in it would gives us a platform to drive more efficiency in the delivery of service. Those are things we need to be able to make decisions within the budget construct. It shouldn't be that everybody has to tighten the belt, because the belt is so tight we're not delivering the service at the public needs us to deliver it. And we have to be careful in that as well that we don't continue down the path of further damaging the infrastructure of existing departments for the sake of belt tightening. There is a point that we have to position departments to achieve the objectives of more efficiency and enhancing the delivery of service. But I think if we can stay with current expenditures matching current revenues, if the revenues are not 1.5% and actually go off by 1%, then rather than pulling 25 positions out in year 1, we're pulling 30 positions.".

- Councilor Ives said he got the Council packet on Friday with the chart Mr. Rodriguez put on the screen and it looks like the only change made is the addition of unchanged property tax rate, and Mr. Rodriguez said this is correct, noting the other change is no cuts to service levels.

- Councilor Ives said we are talking about increasing the GRTs as a possibility, and he agrees with the sense we need to see we are as efficient as possible before we start looking at tax increases. However, the GRT is applied uniformly over all income levels, and that is the very definition of a regressive tax which ultimately impacts people with less economic means than the wealthy. He said he hopes not to see tax increase, but he doesn't see us taking any of that off the table. He said a better way to describe it would be the goal of not having to increase taxes of any sort, rather than saying we won't consider property tax but we'll consider GRT. From my perspective, that's a better way to approach these key strategy points.

– Councilor Ives said he has struggled over the years with vacant positions, and it seems we use these vacancies as a contingency in the City budget process without calling it that. He would like to see us establish a policy that if a vacancy has not been filled for two years, we don't need that position and take it out of the budget. He said we can build a contingency that's real, rather than carrying 200 positions, a phenomenal number of $7 million, as a contingency in fact if not in name. He is happy to propose something that will eliminated the funded, but not filled vacancies from the organizational chart if they haven't been filled for two years. He is willing to consider putting positions back in, but to him it is a little bit of a shell game.

  Mr. Rodriguez said we are perfectly aligned with what you're recommending. He said the organization for years has done this complicated accounting about positions which they still have but are not funded. He said, "This year we made the decision to say, like no, if the Council didn't fund it, that means they were cut. There will be no more accounting for those positions, and we want those positions that were funded, should there be vacancies that is a different calculation. But no more of the 8 year accounting for a position that was there and they didn't fund it that year, or next year, but by God I need to keep that position and someone needs to account for that. No funding means cut, it should be very clear."

– Councilor Ives said, "I would prefer to go with the additional staff, which if we fund a position but if it is vacant for a period of two years, to me that's a strong statement that's a position we probably don't need in the org chart, unless I'm missing something."

  Mr. Rodriguez said, "I could agree with you in principle, but having been in the budgeting municipal world for a long time, I know there's a story behind some of these things. And we just need the latitude to be able to work through all those things, as opposed to an across the board thing that if they haven't been filled for X number of years, it's gone."

– Councilor Ives said I'm willing to call that the exception if each department head wants to come in and say, even though I haven't filled that position for 3, 4 or 5 years, I need it. I'm happy to have that argument, but I would like it to be something that has to bring forward rather than assuming we will continue to carry that, and we fill fund that ultimately during the years and go toward a living, breathing human being."

– Councilor Ives said you mentioned in the column under Fiscal Management, '*Diversification of revenue streams and local economic base is top priority*. He asked what is the diversification of revenue streams you're talking about.

  Mr. Rodriguez said he had a vision here including fees, some of the services and are those fees covering it, is it reasonable. In some cases it costs more to assess a fee. He said the other part has to do with economic development stimulating economic development. There is that economic activity out there, but in this situation like this, you've got to do something for yourself, commenting that is a decision by the Governing Body. He said economic development is quite underfunded

and next week you will see a conversation about what it takes even to be funded at the level that you say it should be funded. The way we did that in the past was part of the game of taking from reserves of other funds, etc., and we're going to try and straighten those things out. That's what we're talking about here."

- Councilor Ives said, "I suppose from my perspective that could be phrased a little more artfully, just when you talk about diversification of revenue streams, I think there are 7-8 and no more than I think of. So unless you're talking about either increasing fees or expanding the number of activities against which these can be charged as well as simply expanding and diversifying the economic base that I think probably captures that just a little better. I wasn't quite how to interpret that."

- Councilor Ives continued, "You talk about business type activities to become self sustaining within year 5. What are those in your estimate."

  Mr. Rodriguez said, "Primarily the utilities. *[inaudible]* in some cases applied for services, so that is lost revenue. They also subsidize other things for the General Fund, but they also get a GRT and then the City doesn't assess the industry standard administrative overhead."

- Councilor Ives said we've often talked about enterprise funds and that would qualify as business type activities. He said the GCCC through it's fees collects between 1/4 and 1/3 of its total operating expense. He asked if he intends to include those types of activities which he believes will never become self-sustaining, and he is aware of no models across the country of recreational facilities, especially those with pools, are self sustaining.

  Mr. Rodriguez said there are some places that are self sustaining. He said in other places the city identifies those that do generate revenue and puts them aside and separately. He said all together they don't generate revenue. In some places pools are self sustaining. There are some activities that generate funds.

- Councilor Ives said for a lot of this, he is trying to figure out what 'this' means, so it would be helpful, in speaking of business-type activities becoming self-staining,' if Mr. Rodriguez would provide a list of those activities with specificity he is speaking, as with diversification of revenue – what that means. He said his objective is to be much more rigorous in terms of understanding the needs of our departments. He said several times we've been told people were told to prepare a flat level budget , and at some level "I abhor that." He would like to see everyone to have a zero budget and then come in and say what they need. That would get to some of the efficiency that Councilor Maestas is talking about.

- Councilor Ives continued, saying he would like to see specific justification by program or category for each of the funds so we understand. He said we may be looking at cuts unless we're increasing revenues in some readily available way that we have a way to programs as policy matters across City matters. His frustration in the last budget processes he feels he is not getting information in such a way that he can act on it, other than in the aggregate. He is looking to deconstruct a little, understand the priorities across the department, to understand the priorities and set policy accordingly.

  Mr. Rodriguez said that is going to be a process as well, and it will take years to get there. He spoke about the Parks & Recreation which are funded in different places. He said these are the things the City did to just get by, and it will take a while to "tease all those out," to determine the costs and where the positions are. He said he and the City Manager are constantly caught in a "situation where have to open up this great big book about where that position actually is, which is in one department and billed from another. He said there is no way we will get all that straight the first year. He said they are going to try hard to get there with one utility and it will take a while for us to do that.

- Councilor Ives said, "And in terms of the allocation of dollars correctly, I don't necessarily see that reflected on this sheet as you've just described it, which is, for instance not using CIP funding for just salaries."

  Mr. Rodriguez apologized, saying, "It is the idea of current revenues and current expenditures. CIP revenue is not a current revenue, that's debt."

- Mayor Gonzales said, "The other area he would as Chair Dominguez and Brian to think about putting in here, that one of the budget assumptions should be accountability. And I'm wondering if it would be difficult for the department heads as part of their budget process, to define the outcomes that they want to achieve, what is the budget they're presenting, even if it is at the same level as budget year 2015. So, when Yolanda presents her budget, she will have a series of outcomes in 2016 that she needs to meet. She has to put on an election in 2016, and there are a series of other things that the Clerk needs to do and see if there is a way to set some metrics or indicators throughout the year, so the Finance Committee can monitor to make sure we're tracking to the outcome we defined. And in year 2, being able to look at who met their goals and who didn't, and be able to create some kind of discussion about why that happened. Was it because we didn't fund it properly, we had the wrong processes in place, what was it. But would it be difficult in this budget to have, as part of the budget document, the key metrics that the Department heads are saying they want to achieve with the budget they have in place."

- Councilor Dominguez said, "Yes and no. I think some things are probably easily quantified, but some aren't. If you're talking about fees and say we improve membership to the Chavez Center, for example, and we've increased it by some percentage, it's going to require this FTE. I think it's easier to measure that, but a library is a little different, because it's not revenue generating."

- Mayor Gonzales said he's not looking so much on the revenue side. He said, "If, for the library, the goal there would be a defined outcome, expand reading lists, get numbers of childrens programs in place, whatever they feel that the Library Board has said here are some of the service levels we want, and then have some metrics that map to that outcome."

- Councilor Dominguez said some will be easier to do and some harder.

  Brian Snyder, City Manager, said, "I agree with Councilor Dominguez's answer. Yes and no is really the answer. We've presented on the Quality New Mexico application, and it was readily apparent when we were going through there. We struggle as a team. We don't have a strategic plan. That's what we're talking about here tonight is setting priorities. We don't have strategic plans, we don't have indicators. We don't have some of those keys to get to what the Mayor's question is. That being said, we've put things in place where I've asked each of the department directors to come together with SWAT analysis for each department, to look at those. We've implemented different things from performance metrics in looking at those criteria."

  Brian Snyder continued, "The challenge is, and where I go back to the Quality New Mexico application, the end is the results. In order for us to start tracking and getting.... we can get metrics in place, but how we measure them, the culture of the City isn't there right now to do that, and change it overnight. That doesn't mean it can't be done, but we need to chip away at it. The yes and no portion is yes, we can chip away at it. No, we're not going to get to where we ultimately need to be. But that's the same way with this whole budget process. We need a one-year budget. That's all we need to submit to the State. But what Oscar and I have been working on is, we don't just need a one-year. We need at least a 3 if not a 5-year budget so we can work on chipping away at some of these things that tied to metrics tried to levels that we can report to you and to the public, and in internally and build our programs.

- Mayor Gonzales said, "Right. I'll get off this and start talking to you guys off line on it. But I"ve got to believe that every department knows what their job is. And we all know what it is because we fund it. I go to Public Works and Ike, and he knows he's got a certain number of streets to take care of, he's got potholes, all those kinds of things that he has to clean up. But there's got to be a way in this document where the outcome is defined, there for the public to know, what each of these departments are going to do, and then just indicators we can measure. We may not be able to measure all of it. We want to increase the number of people using GCCC or our recreation centers, set what the number is so we can see if we are doing that. I would encourage you to add that accountability measurement and not bite off more than we can chew because we can grow into this. We all can define the outcomes we want, how we measure it, we have to set the measurement based on what we can do this year and then grow into how we further define the metrics and the indicators."

Mr. Snyder said, "Mayor, I agree, we're on the same page. I don't want to make a promise. The reality is I've had numerous conversations with the County Manager. And this is their 5th budget cycle they're working on this, and they're not anywhere near where they want to get to. Katherine has been chipping away at it systematically. We're going to be chipping away at it systematically too. Part of my conversations with here is to avoid their pitfalls and where we can learn from it. We need to get there in order to move the City forward the way we're all talking and thinking. We need to have those indicators in place and monitored."

- Mayor Gonzales said, "I would add Councilor Dominguez's accountability mechanism, however you define it in year 1. It gets us on track to getting to an ultimate level."

- Councilor Lindell said, "Talking about fees to cover costs, I'd love to see us do that, but I don't think we're willing to do that. I don't see us willing to have fees cover costs. One things is, a lot of the time, we don't know what the costs are. We subsidize a lot of programs, and I don't see us as being willing to take that step. I completely agree with what Councilor Ives said. I'm not sure why, after a two year vacancy we would need a position. I think that should be the great exception rather than the other way around."

- Councilor Lindell said, "As far as efficiency goes, I think we have a lot of belt tightening that we could do. I think we could be much much more efficient. Once people have programs and positions, they never want to chip away at them, or go backwards or think those programs aren't as efficient as they could be, but they're not. And we could do better at that. And I think it's incumbent on us a Council to be prudent with our very own spending and the cost that we bring forward. I think we need to be very careful about that."

- Councilor Lindell continued, "As far as the assumptions to this go, we may have to reduce some service levels. That's not an assumption of this budget for me. We may have to reduce some service levels. I don't know where that assumption came from, but certainly we have some services that we're not going to reduce. But I think we have some other services that may end up having to be reduced. And I completely agree with Councilor Ives when he says that you need to justify the cost of some of these programs, starting from zero and building them from zero up, rather than looking where they are now, and say, well we can justify spending this amount of money. I don't necessarily think its true. Those are my brief comments on it Mayor, thank you."

- Councilor Trujillo said, "I was going to say the same thing. I like Councilor Ives' idea to start at zero, have departments come in and talk about what they need. I don't know what else to say. We look at the fees and that's something we definitely need to look at, Oscar. Also there are things we can do at minimal costs. We definitely need to look at that."

- Councilor Trujillo said, "As you said, there are employees assigned to one department, but being paid our of another department. That's something that needs to stop."

- Councilor Trujillo said fortunately, we have a lot to offer anybody which is a good thing to have. He said the economy took a bounce and we have to tighten our belts. We didn't want it to happen, but unfortunately it did. He said fortunately the City has stayed on its feet all these years. He said we owe the past members of the Finance Committee because of the hard work they did to keep the City where it is. He hopes we don't have to cut services, but in this budget cycle, everything is on the table. He has been look at the chart and it doesn't make him feel good."

- Councilor Trujillo said we have to get to work and see that it stays fiscally sound, services are provided, and we don't lay off people. And I think we're going to get there, but it's going to take a lot from our own employees.

- Mayor Gonzales said, "I think the concept of building from the ground up is good, although there are some realities *[Inaudible because the Mayor's microphone was turned off]*

  Mr. Rodriguez said, to provide context, 80% of our budget is personnel..

- Councilor Rivera said, "With that, 80% of our budget being for personnel which are our strongest asset. I would support a one-year budget, and before I could look at a long term budget, I want to make sure we had a level playing field and I don't think we have that right now. Prior to 2008, I think we had 1,500 employees, and since that time, we've lost 200 to attrition because I don't think anybody ever got fired during the budget crisis. So, we're 200 less employees, so we have people that are working double duty and have been since 2008, filling multiple roles because we just haven't had the money to fill a vacancy that was there before. And they're done it and they've done it well."

- Councilor Rivera continued, "If we're going to use vacancy savings, I would like to see us use that to help bring some of the classified, non-union people who didn't receive a raise during this past year and a half when we gave unions 3% raises and bring them to a level playing field with, in some ways, their counterparts. In some places in the City there are subordinates that are making more than their supervisors. And that's wrong on various levels – for morale and those employees that have been pulling that double duty and supervising and doing other duties as assigned because we just didn't have the funds to fill those vacancies.

- Councilor Rivera said, "I believe some departments have already reached into their budget and provided raises for some of their employees through their budget. So they decided on their own they are not going to fill a position and use that money to provide raises to their employees that didn't get raises during our last budget session. So I would like to see us really focus on that. And I know I've asked for some projections on what various types of raises would look like, and I'm going to ask staff to do that again. I'm sure they've changed since the last time. So, as we start talking about the budget, look at a 2, 2.5 and 3% increase for those employees who didn't receive a raise during the last budget session, some of them being outdone by their subordinates as far as pay goes, so if we can look at that. I think before we can look at long term budgeting, we have to

make sure all our employees are taking care of. Again, our biggest asset and 80% of our budget are personnel costs. I think we need to take care of them. I think it's about time that we do it. We've been putting it off for a year and probably saved a considerable amount of money doing that. I think it's time we pony up and do what's right for our employees."

- Mayor Gonzales said, "A great point. And one of the things we didn't discuss tonight and one thing I did have a conversation with Oscar about, I don't know where it goes here, but it is part of the strategies to fund professional development in the City – pay raises, training, education – how we can equip our employees who are doing more with less people around them, and reward them for that has to be part of our financial strategy. We can't continue to go down the path of increases abutting on an employee that has to do more, but hasn't been given the training of doing more. It's tough to do and it's high stress and it's hard to get the productivity that we need. I think that needs to be a component here, too, if we're throwing it all in place, for the Finance Committee to consider funding a professional development category that deals with wage increases, but also investment in training where we need to have it is also an important component of this."

  Mr. Rodriguez said when you ask what positions are vacant and haven't been filled for the past two years, we have "department heads that have been carrying 3 department head positions, and the position has been vacant for that reason.

- Mayor Gonzales called on Councilor Dominguez to wrap up the discussion.

- Councilor Dominguez said, "I think we need to give recognition to previous Councils and previous Governing Bodies, some of which I have been a part of. In many ways, that uncertainty of making cuts is much scarier than knowing the economy has checked itself out in this case, or it is what it. I think previous Councils have done a really good job. We have $11 million in cuts, department directors who are directing two departments. Quite frankly, our employees are doing more with less. We went from being very large to becoming relatively skinny, and if we continue to become more skinny, we have the ability to have a heart attack. I'll just use that analogy. So we have to be careful not to thin down too much."

- Mayor Gonzales asked Councilor Dominguez if he is comfortable with the progress here.

- Councilor Dominguez said, "I am. I'm hearing 6 different things and maybe 7 or 8 different things. I'm hearing short term and the idea of having a one-year plan, and long term, doing a 5 year plan with a strategic plan, making sure our reserves are set. I see a category of things being internal. That could be making sure our funds are straight, the GCCC is self-sustaining, even though we've cut 12 positions at the GCCC over a course of years. I'll get to that piece in a little bit."

- Councilor Dominguez said, "The other thing I wanted to say is I think management has done a very good job at pinching pennies. They've been very prudent in ensuring we're not spending money where we shouldn't be. When you look at the external side of it, 45% of our revenues come from fees already and another 35% comes from GRT's. So, in essence taxpayers are paying twice. They're paying the GRT, plus they're paying the fee that helps sustain our organization. And you can make that argument for the GCCC, because there's a mandate the voters agreed to that some of their GRT would go to funding the Chavez Center. So, even at that, people have agreed to pay twice. Through their fees and through taxes. I'm saying that because it's not as easy as doing things across the board as Oscar has said. There are a lot of different things we have to really think about and contemplate."

- Councilor Dominguez continued, "One of the categories is expenses, and that's tightening the belt. I don't know what that means, quite frankly, because that could mean a lot of things. And then the other thing is revenue, whether it's philosophically or programmatically, we need to increase revenues. Tourism is one way to do it. I don't see anybody throwing any policies out there on how we're going to increase revenues aside from taxes or the film industry, and I lump that together with tourism. What are we going to do philosophically and programmatically that will increase revenues. Those are discussions we need to have. The truth is, when all other government and private industry has cut, our local government hasn't cut positions. We haven't laid people off by just telling someone that the next day their job is no longer available. And the level of service needs to be contemplated as well. The public doesn't want to hear that, but the reality is we subsidize a lot of services through the General Fund."

- Councilor Dominguez said, "With regard to vacancies, my first question is why those positions are vacant. I, quite frankly, think 2 years is too long. I don't know what that time frame should be, but I don't know that we have any positions on the books that have been vacant for 2 years or more, other than some of these consolidations we made from department to department. It's not even that, it's one director doing the job of two departments. We made the decision a long time ago not to fill that department director position, so it doesn't even exist."

- Councilor Dominguez continued, "Priorities. I think we really need to have a discussion, if we're really hoping to get rid of some of these vacant positions, what are the priorities. For me, they are Public Safety. We can't just tell the Police Department you have all these acres, reduce it by whatever the number is we come up with. We have to have a conversation about priorities. Public safety, young, old and poor, these are the same things I've always said. And this idea of using savings for classified non-union positions, I think that speaks to the inequities we can have in our organization, in terms of pay equity. I think that might be an expense, using those vacancy savings for that one time.... it's not even a one-time expense, these will be recurring costs."

- Councilor Dominguez continued, "So those are things we have to think about and talk about, but I'm okay with some of these overarching goals. I guess the direction I would like to give to staff is to bring the Finance Committee tax increase scenarios. I know we have 'this' right 'here,' right, but maybe a little bit more. In one of your handouts, Oscar, you said that 8.1875¢ is collected on every dollar for GRT. Is that right.

  Mr. Rodriguez said yes.

- Councilor Dominguez said, "If we can have that kind of analysis on some of these tax increases – what does it really look like in the big picture. And then, I guess just looking at vacancy savings. How many vacant positions we have, how many of those positions are 2 years old. How long have you been doing 2 departments Ike. Has it been 2 years or 3 years. Five. Three positions, three departments, that's right. So I don't know if we've done that in the last 2 years, but let's take a look at it. How many vacant positions we have that are 2 years old, 1 year old, and however far down you can compare that. But I think one way to sustain our budget – that's right sizing our government, we don't need that many positions, this is how many positions we truly need. And man, I can't imagine how much waste we had when we were $11 million large and we didn't really need them. That's all I have."

- Councilor Ives said following up on the point Councilor Dominguez made, which is looking at tax issues, "I would really like to understand the impact of raising property tax versus gross receipts tax across the City." The comment was made earlier that the GRTs is paid by tourists, but it is paid by everybody who buys anything in Santa Fe, and it is a regressive tax because it is a uniform tax regardless of income level. He would like to understand how much GRT is generated by people who live here versus tourists who come here and spend their dollars, if that is possible.

- Councilor Ives continued, 'I share Councilor Dominguez's concerns about impacting people who don't have significant income when it comes to property tax increases. I know it is graduated on the basis of the value of the property. There are people who live on fixed incomes, and this is publicly a question for legal, which is what capacity do we have if we had looked at properties to exempt any particular categories, and not just exempt but figure out some strategy that, if we did impose property taxes, we could end up with a circumstance where people living on fixed incomes are not impacted by it. So what capacity do we have to separate out folks we don't want to impact because of their significant circumstance. So those are some of the questions I would like to have answers to as we look at all of these issues, especially around taxes."

- Mayor Gonzales said, "To summarize real quick, it seems everyone is in agreement, for the most part, on the parameters Oscar has presented tonight in the key strategy points. A lot of the conversation we had will fill in the issues. I do want to add to the issue, on the vacancies, that there shouldn't be sacred cows in terms of vacancies.... There is truth to the fact that we have 15-18 positions and we're seeing the lowest property crimes in the City, we're hitting the markers on drug busts. There is a delivery of service that is happening in the Police Department with 15 less

positions. So there has to be a dialogue, if you're going to consider cutting some of those positions, how do you continue to invest in some of these crimefighting measures."

- Mayor Gonzales said, "I want to make sure that we're not doing it because it's Public Safety and that they have to have the FTEs to deliver maximum service. There has to be conversation about if there are other ways to do it. So Councilor Dominguez, we leave it in your able hands."

- Councilor Dominguez said two things we can do immediately to get information is if we mandate that all contracts are reduced by 5%, what does that look like and how much does it save us. And then, freezing any reclassifications. He said, "I don't know what that looks like. I imagine there are some reclassifications that need to happen, but which ones don't, and does it make an impact on our expenses, I have no idea. Maybe we can get some of that information. We can talk off line as we develop the agenda.

- Councilor Maestas said we need to re evaluate every job description, commenting their job duties have changed in the past 5 years. We may not be paying them the proper salary and they may have recourse against the City for assigning them work outside their job description. We should refresh all the positions that remained through the recession, commenting they should be paid the correct salary. He said, "It is a way of right sizing government and being fair to employees that are doing things well outside their job description and protecting the City."

- Councilor Dominguez said that is connected to what Councilor Rivera is talking about. He said, "Some of those classified, non-union employees maybe got reclassified and maybe in some sense, got a raise. I have no idea if that's a valid argument or assessment, but we don't know, we don't have any idea."

- Mayor Gonzales asked Mr. Rodriguez if he feels comfortable there is sufficient direction, and Mr. Rodriguez said yes.

- Councilor Rivera said, "I know other municipalities do this, but they let groups of employees bid on groups of projects that the City might be putting out to contract. For example, we're going to plant gas in a park and we put out an RFP. Sometimes our own city Departments can do that from within, but they're not considered for the position. If they could bid on their own projects, and potentially get chosen for it, and fund it through them. Let them sort of fund themselves. It may be a good way to get some of those temporary, summer people to stay on longer, if they actually could bid on jobs. It's just an idea. I'm not even sure how feasible it is. But maybe we can start looking at creative ways to keep money in the City.

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The Governing Body then resumed consideration of afternoon Agenda Items 16 through 19

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16. MATTERS FROM THE CITY MANAGER

There were no matters from the City Manager.

17. MATTERS FROM THE CITY ATTORNEY

There were no matters from the City Attorney

18. MATTERS FROM THE CITY CLERK

There were no matters from the City Clerk.

19. COMMUNICATIONS FROM THE GOVERNING BODY

A copy of "Bills and Resolutions scheduled for introduction by members of the Governing Body," for the Council meeting of February 25, 2015, is incorporated herewith to these minutes as Exhibit "6."

Councilor Maestas

Councilor Maestas introduced a Resolution supporting State Legislation, Senate Bill 665 ("SB 665") relating to water wells, leases, hearings and abandonment. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "7."

Councilor Maestas said Santa Fe hosted municipal day and our colleagues came into town. The main intent is to learn the status of legislation impacting municipality. The League Director provides an update on the League's legislative agenda. He attended and it was very interesting. We gave them some City chocolate bars and some Buckman Direct Diversion ink pens.

Councilor Maestas said he toured Silver Lanes today, and met with Vince of Meow Wolf and George R. Martin. He encouraged his colleagues on the Council to go over and see what's going on. He said Vince explained the vision for the final development which is very exciting.

Councilor Ives

Councilor Ives introduced a Resolution directing staff to work with the Santa Fe Area Homebuilders Association to incorporate the Water Efficiency Rating System ("WERS") into the Residential Green Building Code and related administrative procedures. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "8."

Councilor Ives noted the significant service and years of public service by Michael Runnels, former City Councilor and Lieutenant, and note our gratitude for that.

Councilor Ives asked to be added as a cosponsor of the Mayor's 3 bills, Councilor Lindell's 3 bills and Councilor Maestas's bill.

Mayor Gonzales

Mayor Gonzales introduced the following:

1. A Resolution authorizing the Transit Division to establish a no-cost transit program that would serve the transportation needs of Santa Fe's veterans. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "9."

2. A Resolution relating to early childhood care and education; proclaiming support for community efforts to provide universal, high quality early childhood care and education and services for children ages prenatal through five and their families. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "10."

3. An Ordinance creating a new Section 23-9 SFCC 1987, relating to public accommodations; creating Subsection 23-9.1 SFCC 1987 to require that any toilet facility designed for use by no more than one person at a time in any business or place of public accommodation not be restricted to a specific sex or gender identity by signage, design or installation of fixtures. A copy of the Ordinance is incorporated herewith to these minutes as Exhibit "11."

Mayor Gonzales said, "The Council adopted a Resolution some time back regarding the development of a 30-plus member study group. And I put a request to Council and the entities involved in it. So far, Councilor Bushee, Councilor Lindell along with Bruce Weatherbee have been the only ones that have offered a set of names for this 30-plus member committee. Christus St. Vincents, the County and others at this point have indicated they won't submit names because they feel the original intention of the Resolution may have been addressed with the union contract is in place. However, what they have said is there is an interest in having a dialogue on what kinds of action steps we can begin to work toward as a community to increase the health and wellness of the town where we're working collaboratively. So the County has delivered on the new health policy plan they have in place, that has defined some of the data and problems we have."

Mayor Gonzales continued, "The question now is, how do we take that and work within the health care community to start to build steps to go forward. It's not necessarily for discussion. I just wanted to report back to the Governing Body that, minus Councilor Lindell and Councilor Bushee, we've not had interest from other groups to come into this health policy planning committee. More it's been can we take what has been studied already, which has been done in the County's health plan and come together as a community and begin to build some steps that implement solutions to the problems that have been identified. So we'll have a dialogue among the Council as we go forward. I just wanted to give you guys an update on that."

Councilor Dominguez

Councilor Dominguez said now that the warm weather is approaching, he would like Mr. Snyder to be sure we get Code Enforcement along Airport Road to maintain the rights-of-way, the illegal vending that is happening. With regard to Parks, now that the weather gets better and we get rain, we're going to get lots of sidewalks that don't have access, "so whatever we can do there to make sure we have safe walkways."

Councilor Dominguez congratulated his nephews, Jose and Javier Tapia. Jose is a 10th grader who is a 3-time State Wrestling Champion. His younger brother, Javier is an 8th grader, and he is the runner-up. He said Capital High School is the only high school that had State Champions this year in wrestling, commenting there may have been one from St. Michael's.

Councilor Rivera said there were 3 Runners-up from St. Michael's.

Councilor Dominguez said, "They say if wrestling was any easier, it would be called basketball."

Councilor Lindell

Councilor Lindell asked to be added to the Mayor's Ordinance on the nongender specific bathrooms.

Councilor Lindell said she has an Ordinance coming regarding itinerant food vendors, itinerant vendors, vehicle vendors, which will be known as the Food Truck Ordinance. She also has a Resolution that will authorize mobile vehicle vendors within the Plaza periphery area at specific locations and at limited times in accordance with the Vehicle Vendor Ordinance.

Mayor Gonzales asked to sign on as a cosponsor of the Ordinance/Resolution.

Councilor Trujillo

Councilor Trujillo said he wants Mr. Snyder to deal with the pocket gophers in every park.

Councilor Trujillo said he met with two men to bring UNM and New Mexico State as part of the regular schedule to possibly play a double header at Ft. Marcy. He said there is some work which needs to be done at Ft. Marcy. He asked Mr. Snyder how we can create something such as "Friends of Ft. Marcy." He is looking at ways to get $6 million to revamp the parking. He said he wants to do something like they did for the Railyard so we can fix Ft. Marcy.

Mr. Snyder said he initiated that conversation with Kelley Brennan on Monday.

Councilor Rivera

Councilor Rivera said, "Brian and Chief Garcia, since Spring break is approaching for the high schools, it's typically the time of year when we start to have problems at Las Acequias Park, so if we can continue with what we've done in the past and during the morning, and have step up patrols during the time of Spring break, and then probably after that for a time to make sure some of the problems get nipped in the bud early. That would be the idea."

Councilor Rivera congratulated his Aunt Medina-Ochoa, who worked for the Archdiocese for many years, who is retiring.

J. ADJOURN

The was no further business to come before the Governing Body, and upon completion of the Agenda, the meeting was adjourned at approximately 10:00 p.m.

Approved by:

Mayor Javier M. Gonzales

ATTESTED TO:

Yolanda Y. Vigil, City Clerk

Respectfully submitted:

Melessia Helberg, Council Stenographer