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 Wednesday, March 30, 2016

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MINUTES OF THE  
REGULAR MEETING OF THE  
GOVERNING BODY  
Santa Fe, New Mexico  
March 30, 2016

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, March 30, 2016, 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  
Signe I. Lindell, Mayor Pro-Tem  
Councilor Carmichael A. Dominguez  
Councilor Michael Harris  
Councilor Peter N. Ives  
Councilor Joseph M. Maestas  
Councilor Christopher M. Rivera  
Councilor Renee Villarreal

Members Excused

Councilor Ronald S. Trujillo

Others Attending

Brian K. Snyder, City Manager  
Kelley Brennan, City Attorney  
Yolanda Y. Vigil, City Clerk  
Melessia Helberg, Council Stenographer

6. APPROVAL OF AGENDA

Brian Snyder, City Manager, said he would to postpone Item #12 to the April 13, 2016, Council meeting.

Councilor Dominguez said he would like to postpone item 10(u) to the first Finance Committee meeting in May, on May 2, 2016, for a public hearing, unless he hears strong objection from the rest of the Governing Body that they want to have it at the City Council. He will invite the entire Governing Body to the Finance Committee meeting when it is heard. He said the only reason he's doing it at Finance is because it's already been through Committee and did not get pulled. He said the public hearing can be done at Finance or here at the Council.

Ms. Brennan said the only issue is that we're not on the Consent Agenda right now, but he can do that under the Consent Calendar approval.

Councilor Dominguez said, "For the record, I'll be saying this."

Councilor Dominguez would like to move Item #13 to be heard on the Evening Agenda after Item #H(7).

Mayor Gonzales asked if it will be a public hearing.

Councilor Dominguez said we can't hold a public hearing, because it isn't posted as a public hearing, but we can move it to the Evening Session at the end of the agenda.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve the agenda, as amended.

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

## 7. APPROVAL OF CONSENT CALENDAR

Councilor Dominguez said he would say what he noted under Item #6: *Councilor Dominguez said he would like to postpone item 10(u) to the first Finance Committee meeting in May, for a public hearing, unless he hears strong objection from the rest of the Governing Body that they want to have it at the City Council. He will invite the entire Governing Body to the Finance.*

Mayor Gonzales asked when this comes to the City Council for consideration will there be a public hearing, or if it will come with public comment from Finance.

Councilor Dominguez said it doesn't have to be a public hearing. He said, "The only reason I would have it as a public hearing at Council, is because not everyone on the Council is on the Finance Committee, but it's already been through Committees once, and no one pulled it off. So we can have it at Finance. I have no objections to having it here at Council either."

Mayor Gonzales said then the postponement would be a request to remand it to Finance for a public hearing, and Councilor Dominguez said, "Essentially."

Councilor Maestas said sometimes these things have a way of eliciting a delayed reaction on the part of the public, and he has been getting a lot of emails when it came to Council. He said, "So, my question is, how are we going to process any amendments – prior to the public hearing, or after the public hearing. Because I know we're trying to be a little more organized, but I do have a few amendments I'd like to offer. It might be better to maybe do it in advance of the public hearing, at least so the Finance Committee members can have my amendments."

Councilor Dominguez said he has no objections to that. He said, "I would have hoped that those amendments might have come during the Committee hearings previously, and I recognize and appreciate maybe that some people maybe mis-read it. But I would entertain those amendments before or after, it doesn't matter."

MOTION: Councilor Dominguez moved, seconded by Councilor Villarreal, to approve the following Consent Calendar, with the changes as stated above.

DISCUSSION: Mayor Gonzales said, "I am assuming that even after the consideration by Finance, if amendments want to be proposed when it comes to the Council, they can do it as a whole correct."

Ms. Brennan said that is correct.

Mayor Gonzales said the motion is specifically related to Item 10(u).

Councilor Dominguez said no, it is a motion to approve as amended, and offered to withdraw his motion so additional items can be pulled for discussion.

WITHDRAWAL OF MOTION BY MAKER: Councilor Dominguez withdrew his motion.

Councilor Rivera asked to be added as a cosponsor of Items 10(r) and 10(s).

Councilor Maestas asked to be added as a cosponsor of Items 10(r) and 10(s) as well.

MOTION: Councilor Maestas moved, seconded by Councilor Rivera, 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 Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

10. CONSENT CALENDAR

A copy of proposed amendments to Item 10(q), Resolution No. 2016-22, submitted by Councilor Harris, is incorporated herewith to these minutes as Exhibit "1."

- a) REQUEST FOR APPROVAL OF BID NO. 16/18/B – ACEQUIA TRAIL FROM HARRISON ROAD TO LA CIENEGUITA FOR ON-CALL ROADWAY AND TRAIL CONSTRUCTION SERVICES; CENTURY CLUB CONSTRUCTION, LLC. (LEROY PACHECO)
  - 1) REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$41,500.
  
- b) REQUEST FOR APPROVAL OF AMENDMENT NO. 8 TO PROFESSIONAL SERVICES AGREEMENT – AIRPORT TERMINAL EXPANSION AT SANTA FE MUNICIPAL AIRPORT; MOLZEN-CORBIN & ASSOCIATES, INC. (MARY MacDONALD)
  
- c) REQUEST FOR APPROVAL OF COMPLETION OF 2012 PARKS BOND PROJECTS – PATRICK SMITH PARK IRRIGATION SYSTEM REPLACED AND TURF REHABILITATION USING CITY LABOR (IN-HOUSE) FORCE ACCOUNT CREWS. (MARTIN GABALDON)
  
- d) REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – AGUA FRIA AND COTTONWOOD DRIVE INTERSECTION SAFETY IMPROVEMENTS – PHASE I (RFP #16/16/P); SOUDER, MILLER & ASSOCIATES. (JAMES MARTINEZ)
  - 1) REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$200,000 AND EXPENDITURE OF FUNDS FOR THE PROJECT.
  
- e) REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO CAPITAL IMPROVEMENT PROGRAM BETWEEN CITY AND CONTRACTOR – FY 13/14 WASTEWATER DIVISION PUBLICLY OWNED TREATMENT WORKS REPAIR, REPLACEMENT AND EXTENSION CONTRACT; TLC COMPANY, INC. D/B/A TLC PLUMBING AND UTILITY. (JERRY TAPIA)
  
- f) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – REPLACEMENT SEWER RODDER TRUCK FOR WASTEWATER MANAGEMENT DIVISION; PETE’S EQUIPMENT REPAIR, INC. (JERRY TAPIA)
  - 1) REQUEST FOR APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$108,241.
  
- g) REQUEST FOR APPROVAL OF CHANGE ORDER NO. 12 TO CONTRACT – SANTA FE RESERVOIR INFRASTRUCTURE IMPROVEMENTS PROJECT TO CREDIT UNSPENT ALTERNATE 1 OWNERS CONTINGENCY FOR WATER DIVISION; RMCI, INC. (ROBERT JORGENSEN)

- h) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – TWENTY-FOUR (24) EIGHT CUBIC YARD AND FIFTY-SIX (56) FOUR CUBIC YARD FRONT LOAD REFUSE AND RECYCLING CONTAINERS FOR ENVIRONMENTAL SERVICES DIVISION; WASTEQUIP MFG CO., LLC. (SHIRLENE SITTON AND LAWRENCE GARCIA)
- i) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENTS – SIX (6) AUTOMATED SIDE-LOAD RECYCLING COLLECTION VEHICLES FOR CONVERSION OF THE RESIDENTIAL RECYCLING PROGRAM FROM 14 GALLON BINS TO ROLL CARTS FOR ENVIRONMENTAL SERVICES DIVISION; RUSH TRUCK CENTER AND BRUCKNER'S TRUCK SALES. (SHIRLENE SITTON AND LAWRENCE GARCIA)
- j) REQUEST FOR APPROVAL OF LOW INCOME CREDIT POLICY FOR PUBLIC UTILITIES DEPARTMENT. (SHANNON JONES)
- k) REQUEST FOR APPROVAL OF GRANT AWARD AND AGREEMENT – 2015 HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT PROGRAM FOR FIRE DEPARTMENT; NEW MEXICO DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT. (DAVID SILVER)
  - 1) REQUEST FOR APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$21,506.
- l) REQUEST FOR APPROVAL OF EXEMPT IMPROVEMENT AND AMENDMENT NO. 1 TO INTRASTATE AGREEMENT FOR CENTURYLINK METRO ETHERNET SERVICE AT 100 CAJA DEL RIO AND AMENDMENT NO. 2 TO BUILDING ENTRY AGREEMENT AT 1780 CANYON ROAD AND 121 AIRPORT DRIVE FOR ITT DEPARTMENT; QWEST CORPORATION D/B/A CENTURYLINK QC. (RENEE MARTINEZ)
- m) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – UPGRADE CITY COMPUTING HARDWARE PLATFORM (ISERIES) FOR CRITICAL INFORMATION SYSTEMS; MAINLINE INFORMATION SYSTEMS, INC. (RENEE MARTINEZ)
- n) REQUEST FOR APPROVAL OF BUDGET INCREASE FOR SANTA FE FIRE DEPARTMENT WILDLAND DIVISION FUND TO CORRECT OMISSION IN THE AMOUNT OF \$144,815. (GREG GALLEGOS) (Item was first approved at February 10, 2016 Governing Body Meeting)
- o) REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – 2016 AMBULANCE TYPE III FORD E350 FOR FIRE DEPARTMENT; SOUTHWEST AMBULANCE SALES, LLC. (JAN SNYDER)

- p) REQUEST FOR APPROVAL OF FY 2016/17 LAW ENFORCEMENT PROTECTION FUND (LEPF) APPLICATION FOR POLICE DEPARTMENT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE, LOCAL GOVERNMENT DIVISION. (CHIEF GALLAGHER)
- q) CONSIDERATION OF RESOLUTION NO. 2016-22 (MAYOR GONZALES, COUNCILOR IVES AND COUNCILOR DOMINGUEZ). A RESOLUTION TO DESIGNATE UNUSED SPACE AT 500 MARKET STATION FOR ENTREPRENEURIAL ACTIVITIES; DIRECTING STAFF TO DEVELOP AN RFP TO IDENTIFY A PRIVATE SECTOR PARTNER FOR THE SPACE; DIRECTING STAFF TO IDENTIFY AND RECOMMEND A REVENUE SOURCE FOR USE AS COLLATERAL; AND DIRECTING STAFF TO PROVIDE AN UPDATE AND RECOMMENDATIONS TO THE GOVERNING BODY WITHIN NINETY DAYS OF ADOPTION OF THIS RESOLUTION. (KATE NOBLE AND ZACHARY QUINTERO)
- r) CONSIDERATION OF RESOLUTION NO. 2016-23 (MAYOR GONZALES, COUNCILOR IVES, ~~AND~~ COUNCILOR TRUJILLO, COUNCILOR RIVERA AND COUNCILOR MAESTAS. A RESOLUTION DIRECTING CITY STAFF TO PLAN AND EXECUTE A FOURTH OF JULY COMPETITIVE RUN ON JULY 4, 2016, TO HONOR LOCAL VETERANS IN THE SANTA FE COMMUNITY. (CHRIS SANCHEZ)
- s) *[Removed for discussion by Councilor Villarreal]*
- t) *[Removed for discussion by Councilor Villarreal]*
- u) CONSIDERATION OF RESOLUTION NO. 2016-\_\_\_COUNCILOR DOMINGUEZ). A RESOLUTION AMENDING THE *GOVERNING BODY PROCEDURAL RULES* TO ENSURE A MORE FAIR, JUDICIOUS AND EFFICIENT PUBLIC PROCESS. (KELLEY BRENNAN AND JESSE GUILLEN) This Item was withdrawn and remanded to the Finance Committee for a public hearing at the first Finance Committee meeting in May, on May 2, 2016, before coming back to the City Council.
- v) REQUEST TO PUBLISH NOTICE OF PUBLIC HEARING FOR APRIL 27, 2016:
- 1) BILL NO. 2016-14: AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987, TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT FORT MARCY BALLPARK FOR THE BIKE AND BREW EVENT AND LIMIT THE MAXIMUM ALCOHOL CONTENT OF BEER TO EIGHT PERCENT (COUNCILOR IVES AND COUNCILOR TRUJILLO). (ZACHARY QUINTERO)

- 2) BILL NO. 2016-15: AN ORDINANCE RELATING TO THE SALE AND CONSUMPTION OF ALCOHOL ON CITY PROPERTY; AMENDING SUBSECTION 23-6.2 SFCC 1987, TO AUTHORIZE THE SALE AND CONSUMPTION OF WINE ONLY IN THE AREAS DESIGNATED FOR CONCESSIONS AND SEATING AT FORT MARCY BALLPARK IN ACCORDANCE WITH STATE AND LOCAL LAWS AND REGULATIONS. (COUNCILOR TRUJILLO, COUNCILOR LINDELL AND COUNCILOR IVES). (ALFRED WALKER AND JESSE GUILLEN)
- 3) BILL NO. 2016-16: AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE 2012 GENERAL OBLIGATION (GO) BOND PARKS AND TRAILS IMPLEMENTATION PLAN TO REALLOCATE \$311,354 CURRENTLY DESIGNATED FOR VARIOUS CITY PARK IMPROVEMENTS TO OTHER CITY PARKS WITH HIGH MAINTENANCE NEEDS (COUNCILOR MAESTAS, COUNCILOR TRUJILLO AND COUNCILOR DOMINGUEZ). (ROBERT CARTER)
- 4) BILL NO. 2016-17: AN ORDINANCE AMENDING SECTION 14-6.2 OF THE LAND USE DEVELOPMENT CODE TO REMOVE CERTAIN LIMITATIONS ON SHORT-TERM RENTAL DWELLING UNITS; AMENDING THE FEE SCHEDULE FOR A SHORT-TERM RENTAL PERMIT; AND REQUIRING THAT PERMIT HOLDERS PAY ALL APPLICABLE TAXES OR BE SUBJECT TO CERTAIN PENALTIES (COUNCILOR MAESTAS, MAYOR GONZALES AND COUNCILOR IVES). (RANDY RANDALL AND LISA MARTINEZ)
- w) REQUEST FOR FINAL APPROVAL OF THE SALE OF A PORTION OF EARLY STREET RIGHT-OF-WAY CONTAINING APPROXIMATELY 3,109.5 SQUARE FEET ADJOINING THE EASTERLY BOUNDARY OF 1092 EARLY STREET BY WILLIAM M. SCOTT AND CAROLYN S. SCOTT. (MATTHEW O'REILLY)
- x) *[Removed for discussion by Councilor Maestas]*

8. APPROVAL OF MINUTES: REGULAR CITY COUNCIL MEETING – MARCH 9, 2016.

MOTION: Councilor Dominguez moved, seconded by Councilor Maestas, to approve the minutes of the Regular City Council meeting of March 9, 2016, as presented.

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

9. PRESENTATIONS

- (a) FEBRUARY 2016 EMPLOYEE OF THE MONTH – CARYN FIORINA, SYSTEMS & PROGRAM MANAGER – ITT DEPARTMENT

Mayor Gonzales read the nomination into the record, and presented her with a certificate and a check for \$100 from the Employee Benefits Committee.

Mayor Gonzales thanked Ms. Fiorina for going above and beyond in resolving complex IT issues.

CONSENT CALENDAR DISCUSSION

- 10(s) CONSIDERATION OF RESOLUTION NO. 2016-24 (MAYOR GONZALES, COUNCILOR IVES, ~~AND~~ COUNCILOR TRUJILLO, COUNCILOR MAESTAS AND COUNCILOR RIVERA. A RESOLUTION ESTABLISHING A NEW YEAR'S EVENT ON THE PLAZA AS AN ANNUAL TRADITION AS PART OF THE PEOPLE TO THE PLAZA INITIATIVE. (ROB CARTER)

Councilor Villarreal said she attended the museum event and it was a lot of fun and we have lots of possibilities for more fun. She said there is a typographical error on the FIR, and asked Rob Carter to clarify what they discussed earlier.

Rob Carter said on page 2 of the FIR the Professional Services indicate \$50,000 for 2016-2017 and \$50,000 for 2017-18, because of additional sponsorships that we are expecting from our coordinator for the New Year's Eve event. He said, "In the next piece down it is the Revenue Sources, so the reason is that it reduces from \$50,000 to \$30,000 is that this was a wash, so it is reduced, that makes that reduction of our contribution to the Professional Services to be reduced to \$30,000 as well."

Councilor Villarreal said, "So the typo is on column 5 on the first matrix."

Mr. Carter said this is correct.

Councilor Villarreal said, "And if you go across to Professional Services, the first amount is \$50,000, and then for FY 2017-2018, it says \$50,000, but it should say \$30,000. Correct."

Mr. Carter said that is correct.

Councilor Villarreal said she just wanted to make sure we understand that although we're contributing this amount for various sources, that we're also looking at how we can find other private funding for us to continue the celebration."

Mr. Carter said that is correct.

Mayor Gonzales asked who will be helping staff with this.

Mr. Carter said they have asked Ray Sandoval to continue as the coordinator, and he will be working with our Marketing and Special Events staff as well as with Debra and Randy Randall.

MOTION: Councilor Villarreal moved, seconded by Councilor Lindell, to adopt Resolution No. 2016-24, with the changes to the FIR, and with the amendment in the packet.

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

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

Against: None.

10(t) CONSIDERATION OF RESOLUTION NO. 2016-25 (COUNCILOR IVES, MAYOR GONZALES, COUNCILORS MAESTAS AND COUNCILOR DOMINGUEZ). A RESOLUTION DIRECTING THE CITY MANAGER TO DEVELOP A STORMWATER MANAGEMENT PROGRAM THAT UPDATES THE CITY'S STORMWATER MANAGEMENT POLICIES IN FURTHERANCE OF THE CITY'S ENVIRONMENTAL PROTECTION AND SUSTAINABILITY POLICIES AND GOALS. (MELISSA McDONALD)

Councilor Villarreal said the reason she pulled this item is because they talked about it in Finance, and there was supposed to be clarification with an FIR just to know what the costs are going to be associated with doing the Stormwater Plan, and she didn't see it in the packet. She said, "I was just curious what are our next steps for this. I don't know if anyone else from the Finance Committee remembered the details, I had asked a couple of you. But it was really to figure out if we need an FIR to show there are going to be costs associated with doing an assessment."

Councilor Ives said his recollection is that explanation which was provided by staff was that this initial step is being done internally, so it wouldn't involve contracting. But if contracting was necessary, then staff would be bringing forth measures to address that with FIRs on each of those opportunities.

Councilor Villarreal said, "That helps me. And the reason why I wish we had more clarification is these action sheets do not explain that. So the items, when we have discussions, there is no follow-up of what occurred so we know what is going to happen for this meeting. So I appreciate that and if there is more contractual work, then that comes back to us. Is that correct?"

Melissa McDonald said, "Yes. We'll be coming back with recommendations, and to the best of our ability, filling out the FIRs and identifying what future costs might exist. So yes, that's correct. And during this phase, we're not expecting any money to be spent."

MOTION: Councilor Ives moved, seconded by Councilor Harris, to adopt Resolution No. 2006-25.

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

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

Against: None.

10(x) REQUEST FOR APPROVAL OF STAFF RECOMMENDATION TO FUND CASH DEFICITS IN CERTAIN FUNDS. (TERESITA GARCIA)

Councilor Maestas said he wasn't in Finance when this was heard, noting he sees what we're doing. He said we've been carrying forward cash balances for certain funds and enterprises and we are going to correct that, and this is part of the correction. He said if you look at pages 4-8, the reasons for the overages are overspending. He asked if this is a lack of financial management or if the existing funding is insufficient and the need is so great that we keep over-spending. He asked Mr. Rodriguez to address this.

Mr. Rodriguez said Councilor Maestas is correct in that this is a settlement of accounts that have been running negative for years. These are debits that are already in place. This is not spending money it is recognizing this is "already out the door and we should be recognizing that, no long be calling cash that's cash with these debits." He said there are different reasons for the deficit – sometimes a structural imbalance – budgeting higher than the funds available. For example, the Fire Fund is a flat revenue fund, but what was in there were personnel, and as the expense grew the Fund was in deficit, but to cut back in this fund meant cutting out people.

Mr. Rodriguez continued, saying we are trying to settle these accounts, to put in the budget the money, very explicitly, to tide these funds over, and "that way you'll get to see them completely." He said you will see a very different looking budget, with some departments with budgets much higher than in the past because there is a true reflection of costs. He said some of these got so complicated for the departments that they didn't know what to do to not be in deficit because "it was programmed to be in deficit perpetually."

Councilor Maestas asked "the total of this in this round to basically wipe off all these negative cash balances."

Mr. Rodriguez asked Ms. Garcia to answer the question.

Ms. Garcia said there is a schedule in the packet, and explained how she arrived at the figures. Please see Ms. Garcia's Memorandum of March 18, 2016, which is in the Council packet, for specifics of this presentation.

Councilor Maestas said there is no need for Ms. Garcia to review each and every instance of deficit. He said his point in pulling this item for discussion is that we're trying to change our financial management techniques and how we manage money. He just wants to make sure there are measures in place to prevent this situation in the future. He wants to make sure monitoring is in place, because it seemed that was missing.

Councilor Maestas said we have been authorizing obligations to Economic Development, and we were cited by the Auditor for having a negative cash balance at the end of the last fiscal year in the CAFR. He said he asked a particular staff member if there is money for a particular proposed expenditure in Economic Development and he was told yes. However, in looking at this, that wasn't the case. There was a negative cash balance and we've been deficit spending despite the finding from the CAFR. He said, "I don't want to belabor it, but I really think it's time that we kind of end these practices, the chronic negative cash carry-overs, stop deficit spending, and see if we can come up with more stability I guess in our budget, and better oversight and budget monitoring." He thanked staff for bringing this forward, saying he supports this action, but wanted to be sure he made these remarks.

Mr. Rodriguez said another measure we have taken to be sure this doesn't happen again, is that this will also be an annual practice, so departments won't go from one year to the next running deficits. They will be reported to you, and we will settle accounts by the end of the fiscal year. This is a new practice and over time will get these situations to zero.

Councilor Maestas asked about the Airport Fund deficit, commenting he didn't see it here. He asked if that deficit was plugged, or if it is still in deficit and we'll address it later.

Ms. Garcia there is a receivable for the Airport Fund, noting it is a reimbursement, so even if it was a negative, there was a receivable from the State and federal governments to cover these costs.

Councilor Maestas said at the bottom page 4, there is a bolded sentence that says there is a deficit of \$929,000 in the MRC, and asked if that will ride to the end of the year, or if it is a part of this action. He thought we were going to defer addressing that deficit to later in the fiscal year.

Ms. Garcia said what they want to do is it is a large amount, and they don't want to create a cash deficit in the General Fund or in the 3102, so as part of the process of budgeting, they will look at the end of the year to be sure that deficit doesn't put an additional burden on these funds. The \$929,000 was accumulated over a number of years. She said depending on how the year ends, they will make a decision as to how much to cover for these balances.

Councilor Maestas asked if we will adjust the projected end of year revenues, noting the March GRTs shows us with a projected surplus of \$3.2 million. He asked if some of that surplus will be used to start paying off these.

Mr. Rodriguez said yes, like we did last year. The Governing Body will get a BAR to adjust these, recognizing the extra revenue, and the spending which is below budget. The BAR will true-up what we think is happening before the budget starts through the end of the year, so the budget will take all of that

into account, including what we recommend for the MRC. Any deficits that occurred during this fiscal year will be filed as part of the budget plan and we will bring that to you comprehensively.

Mr. Snyder said this is a new practice we started last year during the budget process. He said last year we had funds in deficit, funds trending toward red, which we will bring during the budget and hopefully address them. He said, for example, if we don't fix the problem with the Parking Fund, we are trending in that direction. He said, "Our approach is to not only bring forward ones in deficit, present a solution which Oscar and Teresita did this evening, but also look at the funds and project them in this fiscal year and do a trend analysis. So we can see over some number of years if they are trending in that direction or do we need to do something differently. We will bring that as a package, as Oscar said, to the budget hearings."

Councilor Ives asked what policies do we have in place that will prevent over-spending in the first instance, or is it just something we plan on catching-up on by bringing them after the fact. He understands we will be looking at the trending of funds during the budget hearings. He said over the past 5 years, these funds have been positive and negative, commenting there is significant variance on a year by year basis. He said, "The broader question is, what are the constraints, what policies do we have in place that say don't spend over the budget. Or if we've allocated a share from the City, get that into the right fund so we're not looking at not having funded them when we knew we had that obligation."

Mr. Rodriguez said, to be clear, a lot these deficits were part of the bridging strategy the City had allowed to live longer, and some of these were budgeted last year with a budget clearly in view. He said there was one session during the budget hearings where he went fund by fund indicating the negative funds or near deficit. He said step number one is to not budget them to the negative and that will take care of 90% of the cases. He said they can keep departments from over spending budgets by controlling the Purchase Orders and it goes through a purchasing process and they check for budget before okaying a P.O. That P.O.'s locks up the cash, and as a result if they don't have money then the purchase won't proceed. He said, "I'm very confident with the controls we have in place today that we don't overspend the budget, so most of these happened because they were programmed to be in the deficit. In fact, that's part of the big \$15 million deficit that we've been wrestling with all this time."

Councilor Ives said, "Yes, and I don't want to quibble terms, although because we did submit a balanced budget, regardless of the fact there may have been inter-fund transfers, it would appear we were accounting for any particular negative fund balance by presumably covering it through General Fund or other allocations, the Water Fund for instance."

Mr. Rodriguez said no.

Mayor Gonzales said, "Councilor Ives, can we have this conversation in the Finance Committee or is this part of what you need tonight to approve this. This is my only point. I just want to make sure we're putting questions out...."

Councilor Ives said, "No worries. I'll be happy to hold it for Finance. It just weighs for me the question if this is what has been happening during the course of the year, what do we have in place to prevent it. I'm happy to pass and wait until Finance to answer those questions."

Mayor Gonzales said, "I think where you're headed, and what Councilor Maestas has indicated is the right direction for us is to actually commit to stopping this practice of operating deficits. And based on not only what Oscar has said, the budget we're about to consider and also the development of the new ERP Plan, there are enormous opportunities to consolidate funds and to end the practice in a more transparent way as to why these deficits are going on. And counting on you guys to deliver all of that."

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

DISCUSSION: Councilor Maestas said, "One last comment, because it's so chronic, I just to want to make sure that we don't violate.... as I understand, the Bateman Act really prevents us from obligating the City in the absence of any appropriated funds. I want to make sure this constant kind of deficit spending doesn't get us cross-ways with the Bateman Act. That concerns me as well. It's not just the accounting and monitoring, but it's committing the City for services in the absence of appropriated funds."

Mayor Gonzales said, "I'm counting on this practice stopping, that it won't be chronic any further, based on what we've been told tonight, but I think your point is valid. If it continues, those clearly are issues we have to get addressed."

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

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

Against: None.

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END OF CONSENT CALENDAR DISCUSSION  
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11. REQUEST TO PUBLISH NOTICE OF PUBLIC HEARING FOR MAY 11, 2016:

AFFORDABLE HOUSING DRAFT 2016-2017 ANNUAL ACTION PLAN. (MARGARET AMBROSINO)

- a) PROFESSIONAL SERVICES AGREEMENTS – FY 2016-2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLOCATION IN THE AMOUNT OF \$412,408.
- b) REQUEST FOR APPROVAL OF FY 2016-2017 CDBG GRANT ADMINISTRATION IN THE AMOUNT OF \$100,000.

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

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

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

12. CONSIDERATION OF RESOLUTION NO. 2016- \_\_\_\_ (COUNCILOR RIVERA, MAYOR GONZALES, COUNCILOR TRUJILLO, COUNCILOR IVES AND COUNCILOR DOMINGUEZ). A RESOLUTION CONTRIBUTING PROPERTY AND RESOURCES TO NEW MEXICO INTER-FAITH HOUSING COMMUNITY DEVELOPMENT CORPORATION FOR DEVELOPMENT OF THE SANTA FE ARTS+CREATIVITY CENTER LOW INCOME HOUSING TAX CREDIT PROJECT PURSUANT TO THE AFFORDABLE HOUSING ACT. (ALEXANDRA LADD)

This item was withdrawn from the agenda and postponed to the City Council meeting of April 12, 2016.

13. CONSIDERATION OF RESOLUTION NO. 2016- \_\_\_\_ (COUNCILOR DOMINGUEZ). A RESOLUTION INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE. (OSCAR RODRIGUEZ)

*This item was removed to the Evening Agenda to be discussed with Items H(5), (6) and (7)*

14. UPDATE ON FINANCIAL FRAMEWORK. (OSCAR RODRIGUEZ)

A copy of *Deficit-Closing Framework* prepared by Mr. Rodriguez, is incorporated herewith to these minutes as Exhibit "2."

Mayor Gonzales said he hopes this will allow us to delve into some of the questions that have been asked regarding the options concerning the various GRT enabling legislation. He wants the Councilors to use this opportunity to ask whatever questions necessary, that will allow for the knowledge base to come into play, so tonight, in the evening session, we all feel that we have been able to have our questions answered as to the implications of the various options the framework presents to us. Mayor Gonzales asked Mr. Rodriguez to update the Governing Body on the framework, following which, people can ask questions regarding the framework. He asked Councilor Maestas if it is okay to hold off on his item until we get through that discussion, and Councilor Maestas said yes.

Mayor Gonzales said, "And to the degree that Oscar, you have to bring in Items #a through #c as part of what the framework is, that would be very helpful, so don't feel like you have to stay away from it."

Oscar Rodriguez said we are as far as we can go before taking action on the framework we've been discussing over time. It has been a lot of work, it was approved in February, and then out of the blue the market changed and that framework was changed again. He said tonight you are facing a number of important decisions, and literally we have less than 24 hours to act on those things before the framework changes significantly.

Mr. Rodriguez reviewed the information in Exhibit "2," via the overhead projector, commenting on how the framework has changed.

Mr. Rodriguez said, "I want to correct some of the assumptions I've had here. We had a ruling just this afternoon by our City Attorney who pointed out that the way the Hold Harmless law works, we do not get the hold harmless payment for any new increases in GRTs. At that time I was running with an assumption with the trending I had from the New Mexico Municipal League, and everyone in the audience. I'm thinking back now, any new increases are going to have a Hold Harmless payment that goes along with it. But I'm thinking that was in Angel Fire and everybody in the audience were from municipalities of less than 10,000 in population and apparently that is the cut-off. So that was a true statement back in Angel Fire when I was in Taos, but it's not a true statement for cities above 10,000. So as a result we won't get that."

Mr. Rodriguez continued, "So what that means, and I'll make that correction here, the revenue is not \$7.8 million, it is \$7.10 million. So the new numbers based on that, would be these numbers. And 1.5 would be almost 4% of the Franchise Fee, I'm rounding to the \$100,000 just to make things simple which is right in the market for what all of the utilities pay – I'm talking cable, telephone, gas, etc. If we were going to make a correction for that assumption and take out the \$100,000, 'this' is how the new framework looks."

Mr. Rodriguez continued, "At this point, I've had a conversation with each of you, about 'what if' scenarios. What if it was delayed, what if it was combined, etc. So, what I'm prepared to do is to go through that conversation with you here for clarity's sake if you wish. So anyway, that's how it goes."

Mr. Rodriguez continued, "The big piece of this change was the refinancing of the debt in the Water Fund that will allow us to rededicate or repurpose that 1/4¢ to the General Fund. He said it is complicated and there's a number of steps we go through. The main steps are we pay off the \$34 million of the original debt from cash, refinance \$56 million and we still have \$13 million of debt with NMFA which we can pay in cash or ask them to renegotiate the loan and let us out of the pledge. He said he delivered that letter to them yesterday and that request will be considered later this month. All of that is set at this point.

Mr. Rodriguez said previously he explained to the Finance Committee that we would first lower the GRT in the Water Fund, and raise it by the same amount of the tax in the GRT. That model has changed, because we can't complete refinancing until June, which means the earliest we can pull down the GRT in the Water Fund would be in January. If you raise taxes today it will be effective before the other is lowered. He said he emailed a Memorandum explaining there would be a windfall to the Water Fund of \$3.8 million which will stay in the Water Fund. He said that increment will no longer be needed to generate funds for debt service. He said everything else stays the same. He is anxious to learn what the Governing Body wants to do so he can finish doing the budget so we can start the budget discussions for the first time in a few weeks.

*The Governing Body commented and asked questions as follows:*

Mr. Rodriguez said he could ask the Financial Advisor to explain what is going to happen with the refinancing of the 2009 debt.

- ◆ Mayor Gonzales said he would prefer that we stay on the framework at this time. He said with the City Attorney's ruling there has been a major modification to the framework and the transfer of funds from the Water Company for the Franchise Fee to go from \$700,000 to \$1.5 million. And Mr. Rodriguez now is saying that the new 1/4¢ GRT from Hold Harmless or the MGRT will only generate \$7 million, not \$7.8 million.

Mr. Rodriguez said that is correct.

- ◆ Mayor Gonzales asked him to explain the reason that is the case.

Mr. Rodriguez said when the State eliminated medicine and food from the GRT, there was a major miscalculation at that time by the State, which resulted in a loss to Santa Fe of 12% loss of its GRTs, which then went to \$90 million. The State corrected that by saying they will hold you harmless by giving you an annual transfer to make up the difference. He said everything was going well until 2013 when the Legislature said it could no longer sustain the Hold Harmless payments, and would sunset these payments over 15 years. He said local governments asked for an additional 1/4¢ GRT authority which was adopted, with the caveat that they wouldn't make the Hold Harmless payment, with an exception for municipalities under 10,000, so that is the reason we're not getting the 0.8% transfer, so it brings in \$7 million rather than \$7.8 million. He said any increase won't bring the additional payment from the Hold Harmless."

- ◆ Mayor Gonzales asked, "Why in this framework, are you looking to the Franchise Fee to cover that gap. That is a suggestion. It would be up to the Finance Committee..."

- ◆ Councilor Dominguez said, "At the Finance Committee, we directed staff to keep the cuts the same, and keep the fee increases the same and to try to spread the rest of it throughout the rest of the framework."

Mr. Rodriguez said that is correct.

- ◆ Councilor Dominguez said that was before we thought it was 7.8 million and not \$7 million, so they're probably just following that direction.

- ◆ Mayor Gonzales asked if the Council could increase the GRTs by 1/4 plus 1/8 to make up the difference, as opposed to asking for more funds from the Water Company.

Mr. Rodriguez said, "Yes, you have that capability tonight. You have two increments that you can increase, so you can do that."

- ◆ Mayor Gonzales said, "So tonight when we actually consider this, the Council needs to provide direction as to what increment is going to be increased, and based on that increment, then the rest of the framework will have to fall into place somehow."

Mr. Rodriguez said, "Yes. Absolutely."

- ◆ Mayor Gonzales said then whether the Finance Committee comes up with it through cuts or through more transfers from the Water Fund/Franchise fees, that would be in that purview.
- ◆ Councilor Maestas asked if he is speaking to the earning power of the Hold Harmless GRT increment, because we're considering a very different increment, which is a MGRT, and he understands that would bring in more revenues – same increment but higher revenues.

Mr. Rodriguez said in terms of revenue, they are equal.

- ◆ Mayor Gonzales asked, "Are you sure. That's been validated by Taxation and Revenue."

Ms. Brennan said, "Well because this question came up so recently, we haven't had the opportunity to get verification from Taxation and Revenue, but I think we're comfortable with our reading of the Statute."

- ◆ Mayor Gonzales asked, "When the County enacted their tax over the summer, how was that increment added."

Ms. Brennan said, "I'm not sure, but we did look at, and Marcos can speak to this, the Chart of Cities and what they've paid, and we did find, for example, the cutoff date was January 1, 2007, and we did find a City, Artesia, where they enacted an increment after that date and in fact, they did not receive the subsidy for food and medical under that portion of the GRT. So we did see what we thought was a practical demonstration of the idea."

- ◆ Mayor Gonzales asked Adam Johnson, City Budget Officer, if he knows if the County left off this increment when they increased the GRT this summer.

Mr. Johnson said, "The analysis for the Hold Harmless for the County does not include the distribution for the food and medical."

- ◆ Mayor Gonzales said then it's basically what was presented tonight, and Mr. Johnson said yes. Mayor Gonzales said so they got a lower increment also.

Mr. Johnson said, "It's the same increment, but if you want to look at it as a subsidy from the State, which they did not receive which follows from the ruling after the 2007 law. An even more clear example is the City of Espanola which has all 3/8% enacted. They don't receive any food and medical on any of those."

- ◆ Councilor Maestas said he would make a suggestion to change the top line on Exhibit " 2" to Property Tax Increases, because "I don't feel comfortable lumping tax increases, GRT and Property, together, because we're always trying to compensate for this estimated decrease in potential revenues from the GRT and we do have a property tax increase proposed. So if we're

going to do the math and talk about these, I would feel much better if we broke out Property Tax increase in that table, if we're going to use this table as we go along. That would be my only recommendation Mayor."

- ◆ Councilor Dominguez said, "You're talking about just the tax increases, and what that is supposed to be defining. So we can break that down into 3 different tax proposals – property, Hold Harmless and MGRT. I think that might be cleaner."
- ◆ Councilor Maestas said it would be cleaner. He said, "I'm okay talking about the two different GRT increments, and representing them on one line, but for our purposes and for us to see everything, I think it would be good to at least separate out or have a stand alone line for the proposed property tax increase, unless we're all prepared to rule that out, but I don't think we are. I certainly am not. It is just a suggestion, and maybe we can use the top line, Oscar. Oscar, what do you recommend here."

Mr. Rodriguez said, "When the Franchise Fee was voted, it was understood, at least it was well articulated, and as I understood it, the \$3.8 million was a combination. In fact the table you saw at that it said a combination. So the instructions I got were to come back with a proposal, how that combination would work out and we are working on that. Of course, at this point, if you say with your discussion on the property tax measure on the agenda that issue be zero, or issued at least ½ the property tax increase in, I will certainly take that into account and move forward with it."

- ◆ Councilor Maestas said, "We can use that if we want to keep the Franchise Fee fixed at 0.7%, then we can use any potential property tax increase to kind of stabilize it, instead of trying to make an exact GRT increment fit, and make up the deficit. That would be our only use, strictly to help us balance it out and we don't have to worry about what increment is going to work. Just a suggestion, but if we're all prepared to rule out a property tax, then it's a moot point, but I think we should make the top row there Property Tax."

Mr. Rodriguez said the game plan we're using is that any adjustments that have to be made will be made on the cuts. He said the cuts will be more than \$4 million. He said they are studying a property tax proposal, noting the discussion at the Finance Committee was to consider a very discrete cost or program behind any property tax increase. He said if that's still a going proposal when you get the budget, you will get that proposal. So, this program, for that property tax increase.

- ◆ Mayor Gonzales asked if the revenue line that has been presented to Finance is a flat revenue number for the upcoming fiscal year.

Mr. Rodriguez said no, he had proposed a 1.5% increase for inflation against a 2% increase in revenue, and that will be close to \$1 million.

- ◆ Mayor Gonzales said, "So I guess I'm a little uneasy about leaving cuts to operations off the table when trying to make up this difference. Can you elaborate a little bit on why that would not stay in play."
- ◆ Councilor Dominguez said, "I think we wanted to maintain some sort of commitment to the public that we were going to look at efficiencies and cuts. And we were also going to look at fee increases as well. We wanted to be as close as we could to those two components, but that was when we understood it was at \$7.8 million. So it behooves us to consider opening those up a little bit more if we need to, to make up the difference of the \$100,000."
- ◆ Mayor Gonzales said he would ask, as we go out of this, that the Finance Committee reconsider that. He knows it has been incredibly difficult to get to the \$4 million. He said the reality going beyond that is there will be an impact, but those are policy discussions I think we need to have and what that would be.
- ◆ Councilor Dominguez said as we get closer to a recommended budget and the budget discussions, some of those details will come in, and the gap will be filled-in. He thinks that can be entertained at Council. He said, after thinking about it a little bit more, that we keep that rededicated GRT at \$7 million, but not decide right now where it's coming from. We have to move some of the bills forward we have later on the agenda, but we don't necessarily have to be too specific right now.
- ◆ Mayor Gonzales said the other point Mr. Rodriguez has talked about has been around the idea of when the new GRT would be adopted – July 1 or January 1. He asked Mr. Rodriguez to go through the information on the option of the date of adoption.

Mr. Rodriguez said for this framework to stay in place, we are looking for approval of a GRT increase tonight, effective July 1, 2016. As you delay that, you have to increase one of the other components to make up that difference.

- ◆ Mayor Gonzales said under that scenario, between July 1 and December 31, the net increase at the cash register for the public would equal 1/4% more at the register than what they are paying today and on January 1 that would be decreased by 1/4%/.

Mr. Rodriguez said that is correct.

- ◆ Mayor Gonzales said then the reason for that is because of the timing of the refinancing, and the refinancing will take longer than we have before June 30.

Mr. Rodriguez said the rates can be increased only on July 1 and January 1. The deadline to notify the State for an increase in July is March 31, so if it is approved tonight, he will be personally walking the signed ordinance to DFA tomorrow. The deadline for increasing the GRT effective January 1, is September 30. So if you postpone it beyond September 30, you are looking at delaying the tax increase until the following year.

- ◆ Mayor Gonzales asked, if the tax increase is delayed then the \$1.5 million number goes to what.

Mr. Rodriguez said it depends on how it is delayed. For example, if it is delayed to January 1, it would generate \$3.8 million. He said we can't make that up entirely with a Franchise Fee of \$4.7 million, so we would have to increase cuts.

- ◆ Councilor Maestas asked if we were to impose a property tax tonight, how soon would we realize revenues.

Mr. Rodriguez said we would realize revenues beginning next year, noting there are two payments, and the first payment is due in December, and the other is due after that. He said in any case, it would take a very substantial increase in the rate for that money to be significant. He said currently, the General Fund gets about \$3.5 million in property taxes, so to get \$3.5 million which is less than 6 months of a 1/4% increase, you would have to increase it by more than 100%. He said the feedback from the Finance Committee was that was on the order of the implausible and they didn't want to consider it, so "I'm not doing that."

- ◆ Councilor Maestas said we should talk about what is all of this going to get us. For example, we address the \$15 or \$18 million deficit, where does this get us from this point forward.

Mr. Rodriguez said it gets us to zero, to then begin the effect of the Hold Harmless that starts marching forward at 6%, or \$700,000 per year.

- ◆ Councilor Maestas said one of his underlying concerns is that we're only looking at this in the context of the legacy deficit, and we're even using a tool to address Hold Harmless but we're not taking action to address Hold Harmless going forward. He said we're looking at a cumulative impact of \$11 million from the gradual phase-out of the repeal of the Hold Harmless subsidy. He sees that as we could be back here in 3-4 years and he doesn't want to be having that same conversation about how to fix all the funds, and get the bail-out money needed for funds running in deficit, how to plug our infrastructure gap, how to address Hold Harmless. He said if we're going to the well and consider GRT increases, we need transparency, community involvement and context in terms of the legacy deficits, current needs and needs going forward, specifically the Hold Harmless.

- ◆ Councilor Maestas continued, saying since we're going to refinance these bonds and free-up that GRT which we've been working on for 2 years. We have that in our pocket now and the sense of urgency isn't that great. He suggested an interim approach to give us time to look at the added context to make a truly informed decision on GRT increases. He would be in favor of considering the Water Fund transfer for one more year to allow for more time to deliberate and make an informed decision about GRT increases, noting it is a regressive tax. He said this is his general sense on the framework.

- ◆ Mayor Gonzales said he needs to talk with Councilor Dominguez about moving forward a more robust presence of a budget committee that would allow for 2-3 outward budget plans to address the issue Councilor Maestas has talked about, and said, "I think we're going to find a pathway to that. But hopefully we don't always view taxes as an option to try and solve some of the Hold Harmless challenges that are going to come our way. I think we have an incredible opportunity to continue to grow our economy, particularly in the area of film and commit to a housing strategy, that allows for more people to live here that work here. That will create more economic activity in our town. And I think this idea of efficiency at City Hall should be a multi-year process, not just a one year process."
- ◆ Mayor Gonzales continued, "The way I look to the future is not so much trying to brace ourselves for more tax increases, it's catching-up and right sizing City Hall to the point where we are today, and looking forward, really committing to ways we can grow our economy and continue to generate more of a revenue base to the existing tax structure, and continue, through technology and business process alignment, to lower the cost of City Hall which should be a continuous plan that we do year over year."
- ◆ Mayor Gonzales continued, "I agree with your points that those are targets out there that we have to keep in mind, that the Hold Harmless is real, it's on our doorstep and we can't kick that can down the road. So, I just want to make sure we don't all feel the only place we're going to get to go is toward taxes or toward cuts. We are in a great position to continue grow our economy in very strong ways. And I think moving to a budget process that allows for a three year budget plan so we can constantly monitor what's happening and update it is key to that process."
- ◆ Councilor Dominguez he appreciates what Councilor Maestas has said, because lots of us have said we need to continue to look to the future, and that this gets us to zero, as Oscar has said. He said, "But there has been no appetite on this Committee by particular Council members who have not wanted to consider revenue enhancements at all. In fact, they focus more on cuts, and trying to cut our way out of this deficit. So that gives me some concern that there are members of this Governing Body who, quite frankly have not favored revenue enhancements to take care of our future needs. Because if that's the direction we're going, there's lots of room for us to grow in that aspect."
- ◆ Councilor Dominguez continued, "When it comes down to it, Councilor Maestas, as far as I'm concerned, whether it's revenue enhancements or franchise fees and maintaining the level you're talking about, it's still the taxpayers. The taxpayers are still the ones that are paying for that. And quite frankly, we have told the taxpayers or the water customers no, that we are not going to continue the Franchise Fee concept as much as we have, and work on really reducing that as much as we can. We definitely need.... before we run, we need to learn how to walk. And we're just getting done learning how to crawl, with some direction in the Finance Department, with some stability there, with some new direction from the administration. I think we have gotten past that crawling stage, and now we ought to look at walking before we run. I'm happy to have discussions about how we look toward the future, but I agree with the Mayor that there are other opportunities for us to build and growing economy and keep some tools in our back pocket for another day."

- ◆ Councilor Harris said his problem with the timing issue, is what consumer sees in the overlap during the interim of the increase in the MGRT and we still have the existing Water GRT in place for those 6 months. He thinks it creates a real problem in the business community. There is a lot of confusion about what it means, and creates extra effort in implementing the tax. He said it becomes a continuation of the same message that business people have been hearing for quite some time. He would want to see a stronger effort to see if there is any way that we can make January 1<sup>st</sup>, the termination date of the Water GRT, and the initiation date of the new MGRT, both at 1/4%. He said that represents \$3.5 million.
- ◆ Councilor Harris continued saying we also have talked about a Wastewater Franchise Fee, and asked if there is any possibility of implementing that in a timely fashion.

Mr. Rodriguez said, "My recommendation when we were looking at the update, is that there be a Franchise Fee there, but only equal to the free service we get there now as a measure of transparency. So that would be revenue neutral. Right now, the General Fund gets free service, free Wastewater Service, free Solid Waste Service. I have communicated to you that represents about \$900,000 cost to Wastewater and \$300,000 cost to Solid Waste, and that the franchise fee be equal to that, so it is really what happens there. I don't believe those utilities can sustain, at least in the current financial condition, much of a franchise fee without it affecting rates. Water is the only one in that condition right now."

- ◆ Councilor Harris said he agrees with what the Mayor summarized and what he anticipates for the future. He said there really needs to be a more robust effort for greater economic activity. He said we will be relying on the business in large part for that, and part of the reason he wants to defer the overlap of both GRTs in place for the 6 month period. He said, "Before my time, certain practices were adopted, there was a high reserve anticipated or as a goal, than required by the State of New Mexico. If we were to just go to the minimum reserve required by the State, would that generate monies that would in fact go toward our framework."

Mr. Rodriguez said that would liberate some of the cash we put into there, and we can look at that, but it won't be a whole lot, because he was hoping to get to the 10% reserve that we talked about by using existing cash in the ending balance, and not recurring revenues. He has been reporting the current balance to the Governing Body, and it looks as if it will be close to 4%. However, we programmed some of that to the capital program, and some will be coming out to pay the accumulated deficits in other funds. He said he will certainly factor that in.

- ◆ Councilor Harris thinks that's something we need to look at, and we've already acted on the adjustments we made earlier this evening.

Mr. Rodriguez said yes, it is about \$600,000 in the General Fund, and will be less than \$2 million overall.

- ◆ Councilor Harris thinks we need to look at that, and rather than build up reserves over and above what is required by the State, we need to see how we can put that money into services. He asked if Mr. Rodriguez said there already had been a commitment to certain capital projects.

Mr. Rodriguez said yes, a big part of the capital program that was approved in January contemplated taking money from the ending balance. It is one time money to pay for one-time projects. He said he will come back with a plan that tones that down, but at this point, it does not seem that we will miss that mark.

- ◆ Councilor Harris asked Mr. Rodriguez to summarize for us again what he said at Finance Committee which is if a citizen of Santa Fe looks at their property tax bill, if you put them all together, the City's portion of the property tax bill is about 9%.

Mr. Rodriguez said it is a little less than 9% of the total bill, noting that is based on his property tax bill, and presumes the ratios are the same across the City.

- ◆ Councilor Harris said he is unsure what Councilor Maestas is advocating, but we do need to have a serious consideration of a property tax increase. He thinks there needs to be an understanding on the part of the citizens, the people who pay property taxes, what that bill represents and how small a portion the City receives. He said, "Not to say we're going to do it, but if we were to capture the full measure of the mils available to us, how much money would that generate on an annual basis."

Mr. Rodriguez said, "We were looking, using rounding numbers to make the math easy. If we were to increase to the maximum, you're looking at close to a 300% increase to the City's portion, and that would bring in an additional approximately \$10 million.

- ◆ Mayor Gonzales said that is exercising all of the mils available, so the City has 3 mils left, and asked how much revenue 1 mil will generate annually for the City.

Mr. Rodriguez said it would be less than \$2 million.

- ◆ Mayor Gonzales said he thought it would be \$5 million.

- ◆ Councilor Maestas said he is kind of queasy even talking about a tax increase, and going back and using the GRTs and the same bad medicine to correct the problem. He said revenues are down when the economy is down. The GRTs are a fluctuating revenue source and it's heavily dependent on the health of the economy, and we're going back and using GRTs to create the effects of the recession, reiterating that we are kind of using the same bad medicine to correct this problem. He said diversifying our revenue enhancements will help to protect us in the future from future recessions. It seems like we're repeating the same problem. We have the opportunity here to mix the revenue enhancements and include a stable revenue stream that may be increasing.

- ◆ Councilor Maestas continued saying he is prepared to make the tough decisions, but he isn't going to advocate for \$15 million in cuts, but he is advocating for diversity in our revenue stream to slightly reduce the risk of another recession. He thinks we're just adding to the dependence on GRTs and the reason he feels we shouldn't rule that out. He said these are the two primary revenues, and we should seriously consider diversifying and including a property tax in the mix.
- ◆ Mayor Gonzales said he thinks what Councilor Maestas says has a lot of merit, noting more than 73% of the City's budget revenues come from GRTs and the reason we moved into a recession. He said less than 10% comes from property taxes. He said Councilor Maestas' statement is correct, that if you have a blend of revenues that aren't dependent on a healthy economy then you can stabilize the government in downturns. He said the challenge for us, versus other residents in New Mexico, is that our property values in the City are much higher than other locations, especially in looking that individuals living in those properties on either lower or fixed income has a very piercing effect on them. He thinks we have to take that into account in addition. He said Mr. Rodriguez has said continuously that there can be a legislative fix if we were able to raise the homestead exemption so there wouldn't be such a big hit to people with lower value homes.
- ◆ Mayor Gonzales continued, saying one thing we learned during the budget process is that more than 4,000 homes in the City are owned by people from outside of Santa Fe and New Mexico. This means they get the benefit of a lower tax rate, and we only get the benefit when they are in the City spending money, but we provide 100% of the services as if they were here 100% of the time. It's a system that is not very fair the way it set up, because the homestead exemption is so low. It's important when they're here, not only because we want them to be a part of our community, but that they're spending money. When they're gone, we are providing 100% of the services, but not getting the economic benefit of them being present. If you go to a higher property tax rate, they're paying more money even when they're not here which at least goes toward providing some of the services. These are policy decisions that are ripe for discussion by the Council, and to understand the merits all the way around.
- ◆ Councilor Dominguez said, "I would like to just offer some history as well. As a Councilor with a lot of tenure on this Governing Body, I have to say there was a time when we tried to move in that direction, the Real Estate Transfer Tax, and regardless of the details and why it failed, it failed miserably. And so, we've gone down that road before. And I think we have acknowledged and recognized that just looking at the sources of revenue, and the difference between GRT and property tax. It's as obvious as obvious gets, that there is an imbalance there. And we would like to rely on a better source of revenue for the City. But the reality also is that in the very beginning when we had these discussions, and I said it many times, there was nothing off the table. Everything was on the table, and the opportunity to provide or advocate for, or show numbers for a property tax increase was there. And I don't think anyone was jumping for joy to provide and promote that. In fact, the public response to me as one of the leads in the framework that was proposed was that, don't increase property tax, was the main response from the public. They felt much better with the GRT increase."

- ◆ Councilor Dominguez continued, "Now there's a Catch-22 to everything. Property tax increases, consumers don't much option; it is whatever the Assessor says it is and that is being paid. GRT I agree is much more regressive, but the consumer has more options to consider. Do I buy one thing versus the other. Do I really need to spend that kind of money. And I don't want into individual spending habits, but from the philosophical point of view, we've been down that road. We had the opportunity to repave that road recently, and we just haven't gone there. So I think we're well on the way to getting a balanced budget. Thank you Mayor."
  - ◆ Mayor Gonzales said he has one more point. He said a lot of the lower to middle lower wage income earners, their disposable goes directly that are non-taxable, food and medicine, and hopefully we can change that. However the disposable income doesn't necessarily exist with many individuals in our community to go to movies, or buy clothes where the GRT is in place. Part of the analysis in Las Cruces was that the individuals where the regressive side is tough on them, that many, because of their wages, don't have disposable income beyond a home, utilities and food and medicine. They may not be as impacted as much, but it's one of those areas we have to keep in mind.
  - ◆ Councilor Villarreal asked Mr. Rodriguez, "Just to clarify about the GRT, whatever form it comes in. I guess I was curious if there was a way to implement taxes so we can offset what I'm calling a wash, and maybe you could explain that. But wouldn't there be a period of time that we would actually retract that and have a sunset so we could reevaluate how GRTs can work into the future versus just assuming that is going to be the *modus operandi* for the City. I'm just curious if there is a way to limit it, so we can get past this refinancing time period and reevaluate it later."
- Mr. Rodriguez said, "Of course, you can call back any tax increase, but you don't put debt to it, etc., but to insert a sunset to it, I would have defer that to our City Attorney."
- Ms. Brennan said, "I'm not sure I can answer the question, except the standard in the Tax and Rev manual is to repeal an ordinance. And as I said, it would have to be not securing any debt among some other standards, but you can repeal."
- ◆ Councilor Villarreal asked, "Does that make more sense than having a sunset date put into the ordinance."
- Ms. Brennan said, "I'm not sure you can do a sunset date in the Ordinance."
- ◆ Councilor Villarreal said she will ask questions after the Public Hearing portion.
  - ◆ Mayor Gonzales asked if she can wait until later tonight and Councilor Villarreal said yes.

- a) CONSIDERATION OF RESOLUTION NO. 2016-26 (COUNCILOR MAESTAS). A RESOLUTION DIRECTING THE CITY MANAGER TO USE THE WATER ENTERPRISE FUND TO REPAY AND/OR REFINANCE THE BALANCE OF THE 2009 SERIES A AND B WATER CAPITAL OUTLAY BONDS, AND NMFA DRINKING WATER LOANS 2 AND 4.
- b) EFFECT OF 2009 WATER UTILITY DEBT REFINANCING
- c) EFFECT OF OTHER DEBT REFINANCING

Items 14(a), (b) and (c) were combined for purposes of presentation and discussion, and Item 14(a) was voted upon separately.

Councilor Maestas said when he came on the Council 2 years ago, a lot of people were alarmed about the incredibly high surplus in the Water Fund of \$100 million. He thinks that really caused them to look at the Water Fund, and discovered it was being subsidized to the degree of \$7.8 million through a GRT increment. The GRT revenue stream was tied to bond issues paying for water infrastructure associated with Buckman

Councilor Maestas continued, saying the rates were high and there was controversy about that, which begged the question of the reason the Water Fund was being subsidized by a gross receipts tax increment. He said they talked about how to free-up that GRT increment and allow the Water Fund to be a truly self sufficient enterprises as enterprises should be. He said it wasn't well received by certain Councilors, and believes this body now has made it a policy to pursue the approach to pay off the bonds and free-up the GRT increment.

Councilor Maestas said the 2006 bonds were callable in June 1, 2016, and we've already approved the policy to pay those off. However, that only frees-up a portion of the GRT increment. And the City Attorney has told us we need to make it whole to repeal it. We can't rededicate it. He said there are fees associated with paying the 2009 bonds, and weren't callable until 2019. The ultimate objective was to free-up the remainder of the 1/4% increment by paying the 2009 bonds. He said market conditions have changed, and it would be feasible for the City to use the remaining balance in the massive surplus to pay the remainder of the bonds being backed by that 1/4% GRT increment. In effect it would make it whole, make the Water Fund self-sufficient, spend down the incredibly high balance, and paying both bond issues will fully expend the surplus so there will be no more balance, and we're in a position to reduce taxes to repeal and replace the tax. It is a much more palatable framework, and this is the final piece to that.

MOTION: Councilor Maestas moved, seconded by Councilor Dominguez, to adopt Resolution No. 2016-26.

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

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

Against: None.

15. MATTERS FROM THE CITY MANAGER

There no matters from the City Manager.

16. MATTERS FROM THE CITY ATTORNEY.  
EXECUTIVE SESSION

IN ACCORDANCE WITH THE NEW MEXICO OPEN MEETINGS ACT §§10-15-1(H)(7)AND (8) NMSA 1978, DISCUSSION REGARDING THREATENED OR PENDING LITIGATION IN WHICH THE CITY OF SANTA FE IS A PARTICIPANT, INCLUDING, WITHOUT LIMITATION, MEDIATION UNDER THE DISPUTE RESOLUTION PROVISION OF THE WATER RESOURCES AGREEMENT AND OTHER AGREEMENTS BETWEEN THE CITY OF SANTA FE, SANTA FE COUNTY AND OTHERS, AND THE BDD DIVERSION STRUCTURE ISSUE; AND DISCUSSION OF THE PURCHASE, ACQUISITION OR DISPOSAL OF REAL PROPERTY OR WATER RIGHTS BY THE CITY OF SANTA FE, INCLUDING, WITHOUT LIMITATION, CONSIDERATION OF THE PROCESS FOR SUBLEASING UNDER THE AGREEMENT BETWEEN THE CITY AND CENTURYLINK QC FOR THE CAMINO DE LOS MONTOYAS TELECOMMUNICATIONS TOWER. (KELLEY BRENNAN AND MATTHEW O'REILLY)

MOTION: Councilor Rivera moved, seconded by Councilor Harris, that the Council go into Executive Session, in accordance with the Open Meetings Act §§10-15-1(H)(7) and (8) NMSA 1978, as recommended by the City Attorney as set out above.

VOTE: The motion was approved on the following roll call vote:

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

Against: None.

The Council went into Executive Session at 6:45 p.m.

Mayor Gonzales advised the public that the Governing Body would be back at 7:15 p.m.

MOTION TO COME OUT OF EXECUTIVE SESSION

MOTION: At 7:20 p.m., Councilor Rivera moved, seconded by Councilor Ives, that the City Council come out of Executive Session and stated that the only items which were discussed in executive session were limited to those items which were on the agenda.

VOTE: The motion was approved on the following roll call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera, Councilor Villarreal.

Against: None.

Mayor Gonzales, with the consent of the Governing Body, moved  
Items #1 and #18 to the end of the Evening Agenda

END OF AFTERNOON SESSION AT APPROXIMATELY 7:20 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 7:20 p.m. There was 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 Michael Harris  
Councilor Signe I. Lindell  
Councilor Joseph M. Maestas  
Councilor Christopher M. Rivera  
Councilor Renee Villarreal

#### Members Excused

Councilor Ronald S. Trujillo

#### Others Attending

Brian K. Snyder, City Manager  
Kelley Brennan, City Attorney  
Yolanda Y. Vigil, City Clerk  
Melessia Helberg, Council Stenographer

### F. PETITIONS FROM THE FLOOR

*Mayor Gonzales gave each person two minutes to petition the Governing Body.*

David McQuarie, 2996, Calle Serrada, said he spent 3 hours last Wednesday talking with the City Engineer who is also the relevant Trails Engineer, trying to clarify the upcoming curb ramp project, because he has failed to change it from what was submitted. Almost all of the sides are not going to be done. The ADA allows that, but first you must follow the rule that anything can be done will be done to the maximum extent feasible. He reiterated he spent 3 hours with John Romero, receiving condescension because he is disabled and I can't think apparently. When the document says submitted, we say here's a list of some intersections and he didn't what it is, how wide they are or anything, he just said they're not going to be done. One thing that caught his eye is the intersection of Montezuma and Sandoval, and according to John Romero, it is infeasible. He said, "Therefore they're not going to do that project until 2019-2020. He said that building was built in 2011 and this should have been done then by ADA's regulations. Now they have to wait. He said last year he had a court hearing in probate and he couldn't attend because the place is inaccessible on City property, but that's okay, people can wait. Is this right. The City on this project has a federal ADA complaint that is to be answered by the City Manager. It only

filed in April 2015. What's the holdup. ADA was not that hard. I can't understand it. Do you believe people can't understand, you don't have rational thinking. I just want to bring up the point, please direct the City Manager to answer the ADA complaint and tell your City Traffic Engineer that I'm not a City employee. He cannot fire me, despite what he wants. And the last point I want to bring is, we have most instances over and over where the tourists are hit by vehicles, and a lot of times they're not really injured. So please report."

Mayor Gonzales asked members of Chainbreakers to hold their remarks until we consider adoption of the Ordinances to raise revenues for the budget. He said there is a sign-in sheet for that particular public hearing tonight, so this is just for matters from the public that don't go toward anything on the City Council agenda tonight.

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VERBATIM TRANSCRIPT  
OF THE REQUESTED PORTION OF PETITIONS FROM THE FLOOR, ITEM #F  
CITY COUNCIL MEETING  
March 30, 2016

*Mayor Gonzales gave each person 2 minutes to speak*

STEFANIE BENINATO: Stefanie Beninato, P.O. Box 1601, Santa Fe, New Mexico. I'm want to thank City Council for taking the changes to their procedural rules off the Consent Calendar tonight and sending them back to the Finance Committee for public hearing, and also public hearing at City Council. I think there are some of those, such as having Resolutions or other matters in full form, leaving changes and amendments to ordinances in motions that are actually good, but there are many others I think are really not seriously.... not to have public participation or council participation in what has been very limiting to democracy, limiting to experiences, rather than promoting. So I'm happy there will be a public hearing. We've had this rumor today at Salvador Perez Recreation facility that the City Council is going to close.... only have it open from 9 to 5, which will be pretty useless, because it means these people would not be able to use it since one of the busiest times is between 6 in the morning and 9 in the morning, and actually, probably to almost 10. So, I would urge you to think about it, not in terms of it as a business, but in terms of serving people, and if we want to be a healthy citizenry then I think we need to keep the hours as full as possible. And again, early morning hours and after work hours I think are *[inaudible]* hours. So if that really is a budget consideration, I would ask that you scrap the 9 to 5 idea and do something different. As you know from the listening session, I have lots of ideas of how you could be more efficient in running the facilities, and I've thought of a couple more. Thank you very much.

*I certify that this is a true and accurate transcript of the requested portion of Petitions from the Floor, Item #F, City Council Meeting, March 30, 2016.*

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*Melessia Helberg, Council Stenographer*

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Arthur Firstenberg, P.O. Box 6216, Santa Fe 87502, said he is here about the DeFouri Street Bridge Project. He said the City is going to put it out for bids. He said, "I wanted to remind the Council that the design of that bridge is still under appeal in District Court. It's Case #D-101-CV-2014-842. The District Court case was fully briefed and was argued on September 9, 2015, and we are waiting for a decision. If the City goes ahead and builds the bridge before the design of the bridge is determined by the Judge, the City would be risking over \$1 million of taxpayer money. I suggest it would be prudent to wait until the Judge hands down his decision before putting this project out to bid. Thank you."

Jennifer Elliott, 1211 Calle Luna, said, "I was told by Tomas that it would be okay to say a short word or two about..."

Mayor Gonzales asked if she is speaking to the issue of the budget.

Ms. Elliott said, "I'm just interested that when we consider our budget consideration that we don't get rid of services like bus transportation and..."

Mayor Gonzales said, "Will you hold onto this, because I promise you, we're about to get to these hearings very quickly, so we'll get to the budget issues. So that way, everyone can weigh in on the same issue. Is that okay. Thank you."

#### G. APPOINTMENTS

Airport Advisory Board  
Children and Youth Commission  
Capital Improvements Advisory Committee  
Sister Cities Committee -  
Santa Fe River Commission  
Immigration Committee -  
Santa Fe Metropolitan Planning Organization (SFMPO) Transportation Policy Board

*Mayor Gonzales, with the consent of the Governing Body, moved this item to the end of the evening agenda.*

H. PUBLIC HEARINGS

1) REQUEST FROM PAPER BAG, LLC FOR THE FOLLOWING:

a) PURSUANT TO §60-6B-10 NMSA 1978, A REQUEST FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION TO ALLOW THE SALE OF BEER AND WINE AT DR. FIELD GOODS KITCHEN, BUTCHER SHOP & BAKERY, 2860 CERRILLOS ROAD, #B5 WHICH IS WITHIN 300 FEET OF SANTA FE CHRISTIAN FELLOWSHIP, 2860 CERRILLOS ROAD, SUITE #C-5.

a) IF THE WAIVER OF THE 300 FOOT LOCATION RESTRICTION IS GRANTED, A REQUEST FOR A RESTAURANT LIQUOR LICENSE (BEER AND WINE WITH ON-PREMISE CONSUMPTION ONLY) TO BE LOCATED AT DR. FIELD GOODS KITCHEN, BUTCHER SHOP & BAKERY, 2860 CERRILLOS ROAD, #B5.

(YOLANDA Y. VIGIL)

A Memorandum dated March 23, 2016, with attachments, to Mayor Gonzales & City Council, from Yolanda Vigil, City Clerk, in this matter, is incorporated herewith to these minutes by reference. Please see this Memo and attachments for specifics of this presentation. A letter is included in the packet from Pastor John S. Maiolo, Santa Fe Christian Fellowship Church, stating they have no objections to this request. Staff recommends that this business is 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 Dominguez, to grant the waiver of the 300 foot location restriction and allow the dispensing/sale of beer and wine at Dr. Field Goods Kitchen, Butcher Shop & Bakery, 2860 Cerrillos Road, #B5, 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 Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve the request from Paperbag, LLC, for a Restaurant Liquor License (beer and wine with on premise consumption only), to be located at Dr. Field Goods Kitchen, Butcher Shop & Bakery, 2860 Cerrillos Road #B5, 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 Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera, and Councilor Villarreal.

Against: None.

- 2) REQUEST FROM THE NATIONAL DANCE INSTITUTE OF NEW MEXICO (NDI NEW MEXICO), FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION AND APPROVAL TO ALLOW THE DISPENSING/CONSUMPTION OF ALCOHOLIC BEVERAGES AT THE NDI DANCE BARNS, 1140 ALTO STREET, WHICH IS WITHIN 300 FEET OF ASPEN COMMUNITY MAGNET SCHOOL, 450 LA MADERA AND LA COMUNIDAD DE LOS NINOS, 1121 ALTO STREET. THE REQUEST IS FOR NDI'S ANNUAL GALA TO BE HELD ON SATURDAY, MAY 7, 2016 FROM 4:00 P.M. TO 11:00 P.M. (YOLANDA Y. VIGIL)

Disclosure: Councilor Ives said, "I would simply recuse myself from consideration in this matter, as my wife does legal work for NDI."

A Memorandum dated March 23, 2016, with attachments, to Mayor Gonzales & City Council, from Yolanda Vigil, City Clerk, in this matter, is incorporated herewith to these minutes by reference. Please see this Memo and attachments for specifics of this presentation. A letter is included in the packet from Principle David Nez, Aspen Community Magnet School and Carl Gruenler, Santa Fe Public Schools, stating they will refrain from issuing a decision regarding opposition or non-opposition to this request. Also attached is a letter of no opposition from Jo Lynne Catanach, PMS Children's Services (La Comunidad de Los Ninos).

### Public Hearing

Felicia Ponca, Event Coordinator, 4110 W. Alameda, Santa Fe 87507, said she is here as a representative to ask for a special request for one of the most well deserving non-profits.

### The Public Hearing was closed

MOTION: Councilor Dominguez moved, seconded by Councilor Lindell, to grant the waiver of the 300 foot location restriction and allow the dispensing/sale of alcoholic beverages at the NDI Dance Barns 1140 Alto Street, for NDI's Annual Gala to be held on Saturday, May 7, 2016, from 4:00 p.m. to 11:00 p.m., 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 Harris, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Villarreal.

Against: None.

Recused: Councilor Ives.

- 3) REQUEST FROM MEOW WOLF FOR A WAIVER OF THE 300 FOOT LOCATION RESTRICTION TO ALLOW THE DISPENSING/CONSUMPTION OF ALCOHOLIC BEVERAGES AT MEOW WOLF, 1352 RUFINA CIRCLE WHICH IS WITHIN 300 FEET OF LA PETITE ACADEMY, 1361 RUFINA CIRCLE; THE REQUEST IS FOR THE FOLLOWING SPECIAL EVENTS: NICHOLAS JAAR – APRIL 1, APRIL 2 AND APRIL 2, 2016, 6:00 P.M. TO 1:00 A.M.; COMMUNITY NIGHT – APRIL 8 AND APRIL 9, 2016, 6:00 P.M. TO 1:00 A.M.; B. DOLAN, FRANKIE COSMOS AND DEERTICK – APRIL 11, APRIL 12, AND APRIL 13, 2016, 6:00 P.M. TO 1:00 A.M., AND SUPERSUCKERS – APRIL 18, 2016, 6:00 P.M. TO 1:00 A.M. (YOLANDA Y. VIGIL)

A Memorandum dated March 23, 2016, with attachments, to Mayor Gonzales & City Council, from Yolanda Vigil, City Clerk, in this matter, is incorporated herewith to these minutes by reference. Please see this Memo and attachments for specifics of this presentation. A letter is included in the packet from Nicole Trujillo, Executive Director, La Petite Academy, stating they have no objections to this request and indicating they would like to grant a permanent waiver to Meow Wolf indefinitely to serve alcohol. Ms. Trujillo also stated, *“La Petite Academy is to be free of all liability involving any activity that takes place on Meow Wolf’s property, and we ask that Meow Wolf perform regular outdoor maintenance on both their property and any other surrounding property (including La Petite’s) that may be affected by crowds or alcohol.”*

#### Public Hearing

Stefanie Beninato said she appreciates that Meow Wolf has requested several waivers at one time, so as to not take up a lot of time. She said, “But again, I think the question again is, I recommend that they get a liquor license that will allow them to operate without waivers on a constant basis.”

#### The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Dominguez, to grant the waiver of the 300 foot location restriction and allow the dispensing/consumption of alcoholic beverages at Meow Wolf for the following Special Events:

- G Nicholas Jaar – April 1, April 2 and April 3, 2016, 6:00 p.m. to 1:00 a.m.;
- G Community Night – April 8 and April 9, 2016, 6:00 p.m. to 1:00 a.m.;
- G B. Dolan, Frankie Cosmos and Deertick – April 11, April 12 and April 13, 2016, 6:00 p.m. to 1:00 a.m.; and
- G Supersuckers – April 18, 2016, 6:00 p.m. to 1:00 a.m.

with all conditions of approval as recommended by staff.

DISCUSSION: Councilor Dominguez said at the last meeting, Mr. Kadlubek testified he was in the process of getting a liquor license, and asked him for an update on that effort.

Vincent Kadlubek said they are 60 days out at maximum. He said things are moving forward smoothly, they have the lease in hand and ready to sign and Mary Kate at the State is aware of all of this. He said we think we're two months out to get a permanent brewery permanent.

Councilor Dominguez said, "I want to just try to anticipate after April 18, 2016, there will be more events that will have spirits or liquor."

Mr. Kadlubek said, "Yes. It looks like April is a little bit heavier than May. Right now in May, we have 2-3 events currently booked. I would anticipate another 10-15 events between now and a permanent license."

Councilor Dominguez said, "You don't have to tell me the number. We won't have a license before May though."

Mr. Kadlubek said, "Not before May."

Councilor Dominguez said, "So you will be coming for other waivers."

Mr. Kadlubek said, "Yes, we'll be coming for more waivers at the next Council Meeting."

Councilor Dominguez said, "If you can, just anticipate providing us with another update on your liquor license at that time."

Mr. Kadlubek said, "Sure, absolutely. Thank you Councilor."

Councilor Ives noted there is a letter in the packet from Petite Academy, indicating no opposition, but asking that its property to the extent it is impacted, that crowds and alcohol be simply maintained. He said, "I assumed you've talked to them, and that is all pretty much in place."

Mr. Kadlubek said, "Yes, that's all in place. We had very large crowds for our opening weekend, and second weekend. Many people are parking in their parking lot which they've approved, and then we have an outdoor landscape crew that we also pay to clean up their parking lot. So part of their weekly rounds is looking at the lot and seeing if there is any added impact to their property."

Mayor Ives said, "Thank you for being a good neighbor."

Mr. Kadlubek said, "Sure. Definitely they've been great with us, throughout all of our construction, so yes."

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

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

Against: None.

- 4) CONSIDERATION OF BILL NO. 2016-10: ADOPTION OF ORDINANCE NO. 2016-13 (COUNCILOR LINDELL). AN ORDINANCE AMENDING SUBSECTION 12-9-3.9 OF THE UNIFORM TRAFFIC ORDINANCE RELATING TO ADA ACCESSIBLE PARKING VIOLATIONS REQUIRING A MANDATORY COURT APPEARANCE. (NOEL CORREIA AND SARA SMITH)

Councilor Lindell said this is cleanup legislation, brought forward originally by Councilor Dimas. She said this eliminates the mandatory court appearance.

### Public Hearing

David McQuarie, 2997, Calle Cerrada, said here to speak to this item on ADA accessible parking. He said he thinks it would be common courtesy for any Committee that would be impacted by a decision in this illustrious group, to please consult the Mayor's Committee on Disability, or at least let them know what is going on. He said he has been a member of Mayor's Committee on Disability for 10 years and we have never been consulted by this illustrious body. The Parking Division consulted them on the layout of signs, and one of the items was mandatory parking, which they thought would help. He said, at least we were consulted. I have heard of other parks and recreation and other committees that are not consulted on items that concern them. He asked why you don't make a standard procedure that all Committees that might be impacted by a decision be consulted prior to its presentation before this body.

Sunshine Muse, 1896 Lorca Drive, said she is in support of an Ordinance that would mandate that people appear in Court if they park in an illegal and handicapped space. She said, "It makes sense to me."

### The Public Hearing was closed

MOTION: Councilor Lindell moved, seconded by Councilor Ives, to adopt Ordinance No. 2016-13

DISCUSSION: Councilor Villarreal said, "I think, just for clarification purposes, even though the title makes it sound like there is a mandatory court appearance, it actually takes away a mandatory appearance and it's just the fee. Is that correct. Just so the public knows it's actually taking away a court appearance versus implementing it. And I just wanted to ask Councilor Lindell, I know it wasn't your Ordinance initially, I was just curious if there was discussion on the proper procedures of what we do for committees that may be affected by certain legislation we look at."

Councilor Lindell said, "That wasn't part of this bill."

Councilor Villarreal asked, "I guess, because I'm new, do we make that a common practice, for the Council to look at how Committees that we have, the 60-80, that we ever ask their opinions about something that we're looking at, or at least let them know what's coming up the pike so they know if they can weigh-in or not. And that's not just for Signe Lindell, but it's for anybody on the Council."

Councilor Lindell said, "This did go through Finance and it did go through Public Works."

Councilor Villarreal asked, "Any other comments."

Ms. Brennan said, "I believe that legislative works with the sponsor to decide on the committees that will hear something. But, generally speaking, if there is a committee that has an interest in a matter, we do send it by them, but they are advisory committees."

Councilor Villarreal asked, "And you're talking about standing committees, or are you talking about the many community committees that we have."

Ms. Brennan said, "The many community committees."

Councilor Rivera asked the reason this wasn't sent to the Mayor's Committee on Disability.

Jesse Guillen said, "This was an oversight from the previous legislation regarding the UTC, and so this is just fixing this, and our oversight for not sending it to the Mayor's Committee on Disability."

Councilor Rivera said, "There is probably some area in there between the original sponsor and coming to you. That's all I had Mayor."

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

For: Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell and Councilor Maestas.

Against: Councilor Rivera and Mayor Gonzales.

Abstain: Councilor Villarreal.

Explaining his vote: Councilor Rivera said, "I think this should have gone back to the Mayor's Committee on Disability, so I'm going to vote no."

Explaining her vote: Councilor Villarreal said, "Just because of the clarification on this, I'm going to abstain from voting."

Explaining his vote: Mayor Gonzales said, "I'm going to vote no with an agreement toward Councilor Rivera that it probably should have gone through the Mayor's Committee on Disability."

- 5) CONSIDERATION OF BILL NO. 2016-11: ADOPTION OF ORDINANCE NO. 2016-14 (COUNCILOR DOMINGUEZ). AN ORDINANCE AMENDING SUBSECTION 11-12.1 SFCC 1987, TO REMOVE THE PROVISION PERMITTING PAYMENT TO THE CITY IN LIEU OF TAXES FROM ENTERPRISE FUNDS; AND REMOVING THE SUNSET CLAUSE. (OSCAR RODRIGUEZ)

*Items H(5), (6) and (7), and Item 13 from Afternoon Agenda, were combined for purposes of presentation, discussion and public hearing, but were voted upon separately.*

*A copy of Equitable Development and Risk of Displacement: Profiles of Four Santa Fe Neighborhoods, Executive Summary, prepared by Human Impact Partners, dated August 2015, entered for the record by Tomas Rivera, is incorporated herewith to these minutes as Exhibit "3."*

*A copy of the statement for the record by Dionna Tyndall, entered for the record by Dionna Tyndall, is incorporated herewith to these minutes as Exhibit "4."*

Mayor Gonzales said, "Items H(5), (6) and & (7) [and Item #13 from the Afternoon Agenda], relate to addressing the revenue side of the upcoming budget process. So with the Council's okay, I would like to ask the public to participate in a public hearing up front to weigh-in on your views on the budget, or on any of these issues of which you have disagreement on, so we don't have to keep all of you waiting through the whole night if there is a particular item that is on later on the agenda. Is that all right Councilor Dominguez. All of these are revenue enhancement legislation. Does the Council have any objection to that."

There were no objections by members of the Governing Body.

## Public Hearing

*Mayor Gonzales gave each person 2 minutes to speak to the issue, noting there is a sign-in sheet and people will speak in that order, but it is not necessary to sign-in to speak and those wishing to speak can do so after those signing up have spoken to the issue. He said, 'If your conversations go to the issue of equity, I think it would be helpful for us for you to point out areas that the City needs to improve its investment to assure equitable delivery of service and participation. If someone says something you were going to say already, in the interest of time and everyone else that is here, feel free to say you support the individual's statements. Don't feel you have to take the full 2 minutes unless you have something new to add. This is just in the interest of everyone so they can go ahead and get their points through to the Council as expeditiously as possible but also allow for you to make your statements.'*

Emily Stern, 1313 Declovina Street, said she is a teacher at the Santa Fe Community College, IRIA and Santa Fe University of Art and Design. She sees a variety of students dealing with a variety of situations, some are dramatically different from others. One of her roles is to coordinate something called the Center for Diversity at the Community College, so she is engaged in conversations about equity on a daily basis from a research and data perspective, and from being a teacher in a classroom and hearing students stories and experiences. She is the Vice President for Diversity for the Northern Mexico Human Resources Association. She said she participates in conversations with an advisory council composed of students, faculty and local partners. In the conversations, they discuss that there may be barriers for students to achieve what they want to. Sometimes they're trying to achieve just getting to school, and at other times to achieve a higher level of education to stay in Santa Fe and contribute to the local economy, and participate in that. And the barriers kids talk about usually are transportation for students who work and attend school and the schedule is tricky, students who are hungry a lot and find it hard to learn. The conversations she has at the Santa Fe University are dramatically different than the conversations he has at the Community College.

Rebecca Whitaker, 4435 Airport Road, said she works for Youth Shelters and Family Services on Airport Road, serving the homeless and runaways. She 100% of their clients have no cars and rely on buses, bikes and their feet. There are residents with babies and small children, residents with physical disabilities and a lot of foot traffic, emails and phone calls from homeless youth. A lot of them are pregnant with no housing, in recovery and in need of a second chance. There are no programs for half-way houses, or transitional housing for pregnant or parenting young people, or youth with mental health or behavioral health issues, or people out of juvenile detention or drug recovery. They are in need of a lot of housing for these populations. She said two years ago Councilor Dominguez promised at their facility that we would have improved bus systems for young people. She now hears they are at risk of having no mass transit at all. She is disappointed in the direction the City is moving. Now, more than ever, we seem to be catering to frivolousness, wealthy and privileged people. She said there is really no presence in District 3 on the south side. She is saying this as a social worker that works on the south side of town.

Mayor Gonzales said for the record he wants to make sure the public knows that there is no part of the budget that does away with the Transit system.

Andrew Salazar, 4435 Airport Road, said he resides at Youth Shelters on Airport Road. He said he is also a youth advocate for some foster kids. He said it is hard to get transportation when you live on the south side. He had heard there would be bus curtailing on the routes, and pertaining to that, like Rebecca said, a lot of the young people don't have cars, because we don't have really good opportunities to get to place and finding work is harder.

Tomas Rivera, 109 Quapaw Street, Director, Chainbreaker Collective, welcomed the new Councilors. He said Chainbreaker spend a lot of time working on environmental and economic justice issues, with more than 500 members in Santa Fe. He said specific proposals are happened, and they are heartened to hear you to being to speak about looking for revenue streams. He said this is the way we need to start having conversations, and appreciate you having that conversation, commenting we know it's not the most politically convenient thing to do. He said they want to make sure that all budget conversations proceed, if and when cuts to services happen, taking into consideration equity and the needs of people who access these services which includes Transit. He said they are glad there is not specific transit cuts right now. He said people rely on transit to get to school, to work, to get around town. He said they have done a lot of work on a report. Mr. Rivera distributed copies of the Executive Summary to the Governing Body [Exhibit "3"], noting the full report is on the Chainbreaker Collective website. He said there are equity problems in the City which were going on long before any of you were on the Governing Body. They encourage you to look at that report and to take equity into consideration as you work on this budget.

Mayor Gonzales said, "I usually don't interrupt the public comment, but what I said was that the elimination of the Transportation budget is not on the table. But I do think you guys need to stay involved actively, as the Finance Committee and the Council considers how to find some of the cuts and where, and your advocacy is going to be critical from that standpoint to make sure that service levels are delivered appropriately where they need to be. I just want to make sure the public knows that that there may be cuts in transportation, but you have to look at where those are happening."

Mr. Rivera thanked him for the clarification, saying they are happy to work with the Governing Body, and will be happy to meet with the members individually if they would like.

Tommy Toledo, 3226 Rufina Street, Apt. 20, read a statement into the record as follows: 'I believe that inequity is a growing problem in Santa Fe. I am here to ask you to consider equality in all decisions, because, for one, I have just moved here about 1 ½ months ago from Albuquerque. And I feel it's been a very hard process for me with the transition of finding work and using the bus routes, because in Albuquerque there are far more bus routes. But I do like stepping up, and community leaders like myself bike and use bus passes. I believe if there were more bus routes it would be better. I myself am one that struggled [*inaudible*] with drug abuse all that. I recently changed that in my whole life. Now that I am working it has been hard for me to find a ride to go check in on a weekly basis to the Judge. I find myself riding a bicycle. Going up Cerrillos they're doing a lot of road work, and there are bike lanes and they have barriers up and it's kind of hard to drive in that at night. It think it would be more of these routes out that way. Also, I just wanted to thank you guys for considering all our struggles.'

Sonya Marie Martinez, 1515 5<sup>th</sup> Street, Chainbreakers Organizer. She thanked the Governing Body for their time. She wanted to emphasize Thomas' remarks, saying they want to be advocates because they believe that every person that needs bus transportation should be able to do so. She rode the bus while going to College. She said there are efforts we can take collectively to make sure the mothers, grandmothers that need the bus because it is their own form of transportation should have the opportunity for more bus routes, as well as the homeless. We need to be aware and advocates collectively. She said Chainbreakers works hard and she believes in everything they do and she believes in the members. She hopes the Governing Body takes all this into consideration. She said they advocate with all of their power and great passion to help the most vulnerable people and be aware of those needs. She said she hopes they recognize we are here to work together, and we can accomplish a lot and talking about any cuts as to where we go and how we make cuts that don't hurt the most needy in our City.

Dionna Tyndall, 1604 Berry Street, said she is a member of Chainbreakers, and read a statement into the record asking the City Council to address the elephant in the room and take people like her into account when deciding what to do with the budget. She said, "We are the elephant in the room. And we are too big to ignore." Please see Exhibit "4," for the complete text of Ms. Tyndall's statement.

Nohemy Boroquez-Flores, 2410 Sycamore Loop, thanked the Governing Body for bringing for equity and actually looking for new funds instead of only thinking about cuts. She said if any cuts are considered she wants you to consider how many people will their jobs and how many people depend on the services that serve "us, the elephants in the room." She asked why do we always have to fight for something we deserve as a community. We also pay taxes and are in this community. She said we need to think about Santa Feans and not only about tourists, because we are here, we're not going to leave and we need everybody's support. We don't want to always be dependent on limited services. She said, "I want you to address the elephant in the room. Don't forget about us, we're still here. Consider us also, because we also use parks, the trails, and consider us in every decision you make because I feel we have been forgotten in a lot of the decisions that have been made."

Jennifer Elliott, 1211 Calle Luna, said the elephant in the room are a lot of people who are native to Santa Fe who are some of the poorest, if you look at the poorest regions in the City and where the people who have been staying here are. She said she is glad you're saying that we don't have to worry for the moment about transportation. We heard you say it could be issue in the future, and why they are being preemptive here in making sure they don't lose essential transportation. The areas in the City where the poor and middle class and require transportation systems to get to work or to school, and if they lose those routes it could be a really bad thing for those people. She thinks equity is an important thing to consider in all budgetary system, because every person has a productive value, and ignoring the value of the needy and left out undercuts the productive capacity and ability to have a quality of life for everyone in the community.

Miguel Acosta, 727 ½ Montes Place, said he has four recommendations for revenue generation and comments around equity. He said the two Councilors from District 3, Councilor Dominguez particular, happen to be the ones that raises equity issues on a regular basis, and they shouldn't be the only raising these concerns. Everybody should be concerned and should be coming from every single district, and every new representative. If we are one Santa Fe, then everybody should be concerned about this. He said, "Thank you guys for taking the lead and also being out there in front of the Finance conversations. You're not going to be everybody's favorite I would say. On revenue, we have this push to buy local, but it should be buying local from locals. Chain stores don't help us. That is money that leaves the community. You should also be hiring local, especially our graduates coming out of our public schools.

Mr. Acosta continued, saying related to that is the Cosecha Conference that happens every year in New Mexico and every year we are looking for a venue for the Conference. He thinks we should reach out and offer to make Santa Fe the permanent home for the Cosecha Conference, noting thousands of people come from over the country to the conference which generates a good amount of revenue. The production of bilingual teachers should be a Santa Fe endeavor. That would be a revenue generator for Santa Fe. Follow up on the work that we're doing currently along Culture Connects. We can fund neighborhood planning and organizing and have communities and neighborhoods surface ideas about sustainability, producing more locally and supporting us in more sustainable ways. In terms of equity issues, they recently had a presentation at the Southside Library about a new development. He said bringing in more people creates more inequity. We don't have the carrying capacity, our schools are jam-packed, the roads are at capacity, we don't have services. He said if you want to invest money, finish the park. Development approvals should be for areas that have a carrying capacity.

Sunshine Muse, 1896 Lorca Drive, said she loves this city, is but heartbroken to know we are creating this kind of segregation. She doesn't want to see Santa Fe to remain or become more segregated. She doesn't want this to become a rich and poor, hills and valleys, brown and white City. She said we're small enough that we can hold equity as a value, in the same way we hold art as a value, and we can teach people from various demographics that if you are going to live in Santa Fe, you are going to live and be that value. She said it is has been interesting to work with Chainbreakers in the ways in which a woman from the east coast who is displaced, because that is what gentrification does, can come here and displace others, because that is what gentrification does. She said she is a middle class woman, her son takes the bus not because he's poor or homeless but because why shouldn't he. She doesn't think teens should depend on cars. She doesn't think that is the safest, most economical or environmental way for us to live. It's sad more parents don't understand that even if they can send their kids to school and around town in a car, that the proper or loving thing to do for the City is to put them on the bus. The disparity 'this' map indicates, indicates a value that is beginning to eat our City up. She didn't come here for this to see this happen. She urges that equity be kept in the front of all conversations, decision and to fully implement 'this' map in your brain. It is 50 years old and we can change it starting tonight. We don't want a segregated City. We're 70,000 people rich. She asked, "Why segregate."

Steven Douglas Kinkowski, said he is a transient, and he and his family are living in an RV. He has lost City scale jobs because of the lack of coverage and the inconsistency of the scheduling of the #1 bus, the #24 bus and so on. He said he can't drive himself because he has seizures and has PTSD and anxiety and is blind in one eye. He said his kids need to do their homework in a very cramped space. He said the south side is the cheapest place to live. Unfortunately, he is consistently forced to choose between looking for work one day or begging for money. He misses opportunities due to lack of services and scheduling of interim jobs which don't pay that much. He said, "I just wish that you guys would take these things into consideration as you focus on the budget, and don't make it any more devastating on the south side of Santa Fe."

Stefanie Beninato, P.O. Box 1610, Santa Fe, said she heard the Mayor say there will be cuts in transportation and it won't go away. She thinks part of the disparity.... 40 years ago there was socio-economic diversity in every neighborhood, and there were affordable housing projects in every neighborhood. Now we are allowing developers to buy out of affordable housing in their development and giving money to the City which has led to disparity. Annexation also has led to disparity. She applauds the Council for being sensitive. She said in looking at Santa Fe Ride and Santa Fe Pickup you can see those services overlap downtown. She understands that Santa Fe Pickup is sponsored by the Lodgers' Tax. She unsure why employees coming from the Railyard, etc., get free transportation from Lodgers'; Tax. She said an economy of scale might prevent cuts from other schedules in other part of town, so that's a very concrete suggestion she has. She suggested in running recreation facilities it is okay to cut some hours at the GCCC. She said if the City operated the facilities in the way you operate on your home on a consistent basically, not erratically, and not opening the outside vents when it's 26 or 40 degrees and you're trying to heat a space to 76 degrees, or a part time worker for 2 hours, and 45 minutes of that are breaks because they can't be in the swimming pool area, and perhaps overlapping with front desk staff would be a concrete way of using employees fully in that facility and doing away with a position.

Alan Gomez, 3588 Jonquin Lane, said as a native of Santa Fe, and comes to speak about Meow Wolf and his concern that privileged arts organizations like Meow Wolf are seen truly for their economic benefit and not their long term impact. He said Canyon Road has been a detriment and benefit to the City. As an artist, his concern is that organizations like Meow Wolf aren't truly inclusive, and in the long term change the dynamics of a community made up of under-represented groups.

Angel Kinkowski, said she lives in her RV, because it's cheaper than paying for a 2-bedroom apartment. She said her work is non-profit organizing, but it doesn't pay a lot. There are people like her who work very hard and are not afforded the resources for what our work provides to this community in order for it to be able to sustain the affluence we wish to invite here. We are only as strong as our weakest link. The people that make the beds, serve the wine, and keep many of our more affluent members of this community happy need to be happy, otherwise service degrades. Tourism isn't sustainable, because your population is miserable, that's why this needs to be address. We can't move forward until we tidy up our mess. We just can't kick out the people you don't want, because the people you don't want are the people that do the work. We have to keep these things in line.

Mayor Gonzales asked Ms. Brennan if we are allowed to close the public hearing at this time.

Ms. Brennan said, "You can close the public hearing. Yes."

### The Public Hearing was closed

Mayor Gonzales thanked Chainbreakers for coming out tonight with its powerful message, which was heard. He knows that because the Council adopted a set of principles on how to adopt a budget and at the top of the list was equity, and making sure the budget reflects all the needs of our community and is inclusive. He said your public participation will be important and critical, and urged the public to find out the dates of the budget hearings and continue to attend and come forward with ideas, with a continued commitment to make sure to live in Santa Fe one has to feel included and supported by this government.

MOTION: Councilor Dominguez moved, seconded by Councilor Harris, to adopt Bill No. No. 2016-11.

DISCUSSION: Councilor Maestas said last year when we took up this issue, we had to take action for the DFA to approve our budget because it was based on a much higher Payment in Lieu of taxes, and his amendment added the sunset. He said given where we are in developing a framework and balancing the budget, this is one of the tools we need to accomplish the task of balancing the budget.

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

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

Against: None.

Abstain: Councilor Villarreal.

- 6) CONSIDERATION OF BILL NO. 2016-12: ADOPTION OF ORDINANCE NO. 2016-\_\_\_\_ (COUNCILOR DOMINGUEZ). AN ORDINANCE ADOPTING A MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX. (OSCAR RODRIGUEZ)

Mayor Gonzales said, "Just to be clear, once again. This is allowing an adoption to take place, but setting that amount will happen now. We have to designate the amount now, or can it be set at a later date."

Ms. Brennan said, "If you want to enact this effective July 1, you have to set the amount tonight. Yes. If not, if you're looking at January 1, you don't have to act tonight."

Mayor Gonzales asked, "Can we act on both of them tonight and be able to put a stop."

Ms. Brennan said, "We will be taking them to Taxation and Revenue tomorrow, if you act on them tonight, and looking for a July 1 date. So we will then be starting the process toward implementation by Taxation and Revenue. And I don't know what the effect of repealing them before that date would be."

Mayor Gonzales said, "But if we adopted a budget, and for whatever reason moved on a different path, the question is... I've got to believe we could repeal it."

Ms. Brennan said, "I think we would repeal. The question is whether there would be a period where it was effective."

*The Governing Body commented and asked questions as follows:*

# Councilor Dominguez said we are ready to start the month of April, so realistically we will know in a few months, probably 6 weeks even to how close we are to having to take any action.

# Mayor Gonzales asked if there could be a combination of the two, if we adopted 1/4¢ Municipal Gross Receipts Tax and then 1/8¢ on the Hold Harmless so we were able to minimize the transfer of Water Funds, would that be possible.

Mr. Rodriguez said yes, noting the smallest increment that can be adopted at one time is 1/16¢, which would generate approximately \$800,000.

# Mayor Gonzales said so if we imposed 1/16¢ on Hold Harmless and 1/4¢ on the Municipal Gross Receipts Tax, that would make up the difference currently in play that would come from the water fund.

Mr. Rodriguez said yes, and any difference that needed to be made, could be made up from cuts.

Ms. Brennan said, "I thought it might be 1/8¢ increment. Marcos is getting the manual now and we can check that.

# Mayor Gonzales said then it's either 1/8¢ or 1/4¢.

Ms. Brennan said, "I'm really not sure, but I think it is 1/8¢, but we are checking that right now.

# Mayor Gonzales asked if we can go with language of "up to," or are you saying we have the set language tomorrow.

Ms. Brennan said, "You need to fix it. And I just want to say the language of the Ordinance is set by Taxation and Revenue. There is a manual and it has to be in substantially that form or it will not be valid, so there's not a lot of room to play with the ordinance, we'll insert the number, but in terms of language there should not be many changes."

- # Mayor Gonzales said he would like the Council to consider the question of when the adoption will take place, and then we can talk about the rate. He said Councilor Harris brought up a compelling part about the disruption of businesses to go from one GRT rate to another. That puts us back into the situation of having to go with \$3.8 million in cuts or ask for an additional \$3.8 million. We need to make a decision on the effective date of July 1 or January 1. If it is effective July 1, then we won't have the same issue of having to transfer more Water Funds through the Franchise Fee.
- # Councilor Ives said he would speak in favor of an effective date of July 1 for any measures we choose to adopt. He said we have identified our purpose in the whole budget framework in all our discussions to resolve a significant deficit that we've been made aware of. He said, "I think to do that, it makes sense to use these mechanism. Additionally, a point was made earlier in our discussions that what we're doing with this budget framework is solving a problem at this moment, for this next year's budget. But we know, as a result of again, the reduction in the Hold Harmless payments that are to come, that there will be structural gaps that are going to be imposed, by no action of our own, in future years. And if there is a period when there is an overlap as has been discussed that brings in a little revenue that we can use toward those future circumstances, to me it makes sense to do that now. As opposed, to finding ourselves in that same position next year, and having to go through that exercise all over. So for that reason, I'm in favor of trying to put whatever measures we do in place, effective July 1."

MOTION: Councilor Ives moved, seconded by Councilor Dominguez, that whatever measures are adopted by the Governing Body have an effective date of July 1.

DISCUSSION: Councilor Dominguez said we can take action on the date because it applies to both H(5) and H(6).

Mayor Gonzales said then let's go to the issue of the effective date, that was the motion, for July 1.

Councilor Ives said basically, that would mean taking these take to Taxation and Revenue tomorrow.

Councilor Harris said he is looking at the Financial Performance Report as of December 31, 2015, and you are projecting savings in the current budget of approximately \$3.9 million, and then you wanted to say total revenues performing 2% above budget, and you say coming in \$3.5 million higher and the sum of that is \$7.3 million. He said if we don't generate that amount, even closer to \$5 million, how would you anticipate using those funds.

Mr. Rodriguez said, "I would recommend to you that you treat them as one-time expenditures and use them as capital improvement for one-time projects."

Councilor Harris asked the reason we would do that.

Mr. Rodriguez said otherwise you would be continuing the deficit, in other words paying recurring costs with one-time revenue which is how we got to where we are now.

Councilor Harris said his point would be to get to the point of getting to a date, trying to bridge that 6 months.... the tax increase on July 1, let's just say it's the MGRT. And we've still got the Water GRT in place until December 31, so he is trying to bridge the six month period so we don't have a bump-up. He said there will be some skepticism, a mild word, about what people think the future holds six months from now. He said, "I would like to make it as clean as possible and not disruptive to not only the consumers Mayor Gonzales mentioned, but certainly the business community, because it is disruptive when you try to track this, and quite frankly it will get lost. For many businesses, that will create problems with Tax and Rev, so that would be my point. Why wouldn't these savings be able to be used during this 6 month period, or a portion of the savings."

Mr. Rodriguez said, "You could do that as a one-time expenditure, I guess that's what you would use it for. In other words, in lieu of a high Franchise Fee which was also a continuation of the deficit, maybe that would be a plan, if that's where you want to go. The impact might be a smaller capital improvement issue... I couldn't tell at this point exactly what that would be. So it would be one time money from the ending balance to pay for a one-time bridge if you want of six months. That's the logic."

Councilor Harris said that is what he is describing. He said if the money isn't dedicated to specific capital projects it seems like it's worth talking about using it in this instance.

Mayor Gonzales said that's a valid point. He asked if the capital plan that's coming up, the \$5 million you anticipate in some type of net revenue, have those funds been earmarked for the ERP system, or for some of the other systems we are counting on moving forward to pay for it basically. Or, are there other sources of funds for that.

Mr. Rodriguez said, "If our projections hold. Right now the organization is just getting used to paying attention to these projections and they come in the way they are right now, there would be an extra million dollars flowing to the ending balance. And I would recommend that you treat them as one-time expenditures, and so those might be there. And if you deem this 6-month bridge to be a one-time expenditure, I guess it meets that basic logic, yes, I guess that would work. So to answer your question Mayor, at this point, not those funds will not all be dedicated to the ERP. I can't tell you exactly how much that is, because it is a projection at this point. Right now, the CIP you approved in January is covered completely with the money that we felt for sure was in there. This is on top of that. And so it would be deemed that. Of course, part of the way we were going to.... a big part of the strategy, probably we're going to move people from operations, for example, I'll give you an example. There is some \$1.8 million spent on maintaining those [inaudible] and the way that we move that effort into a capital program was through money from the ending balance. So I could try that, but I couldn't tell you exactly, at this point, what that number is. But it would work."

Councilor Dominguez said, "There is a lot of work that needs to be done in our community. There's a lot of different maintenance. We've had a large discussion about that work required on our buildings. And we've had the discussion about timing in the past, and why Kelley, at one point gave us a matrix, because I was under the impression we would be able to sever one (tax) one day and enact the next day, and we would have that seamless transition. But because of the different taxing authorities and the different timelines that come with them, there is going to be a gap one way another. There is going to be a gap on the

revenue side if we don't do it by July. Or there will be a gap on the expense side if we wait to January to do it. So one way or another, there is going to be some sort of gap."

Councilor Dominguez continued, "It is a good discussion to have if we're going to spend money on one-time expenditures, which is the appropriate thing to do. We certainly should have that discussion and decide how that gets spent because there is a lot of work that needs to be done in our community in terms of capital, forget the operations side, specifically with this allocation and as it pertains to capital there certainly is a lot."

Mayor Gonzales said, "Part of this budget fix would free up funds currently covering operations to go into capital projects too. So, I think this budget fix creates a pathway to consistent long-term capital going into deferred maintenance, as opposed to going to operational costs. So I understand the point about being careful not to pull from a reserve fund that could go to capital, but it would be going toward a budget that actually would free up capacity to go into capital. As a result of this we're not going to be having to use half of our CIP 1/4¢ to cover operations. We're not going to have to use other means of funds that should go into capital to cover operations, because that is part of this corrective fix that we'll have."

Councilor Dominguez asked for an example of where we could use the \$3.8 million between now and January 1.

Mayor Gonzales said, "As to the \$3.8 million that would be generated between now and January 1, because that's how long for everything to unwind...."

Councilor Dominguez asked, "Besides the example that you've already given, tied to water, really is what I'm looking for."

Mr. Rodriguez said, "To be sure, that windfall is all for water, not for the General Fund. So the \$3.8 million is going to be collected for water, and the only way you can get that is to do a PILOT or a transfer. The General Fund isn't going to get any extra revenue, other than what is in the framework. I want to make sure...."

Councilor Dominguez said, "That's why I said at the very end tied to water."

Mr. Rodriguez said, "And the kinds of things you could use it for would be things that are a part of the Water Plan. And we are going to have the rate analyst at the Finance Committee, hopefully next week, to talk to you about how those rates look given the actions we're taking here. The talks we've had with the rate analyst so far is all that money that is in cash they're going to use eventually to do the capital improvements at about \$16 to \$17 million a year."

Councilor Dominguez said, "I'm a little reluctant to open this can of worms Mayor, but I'm going to ask it like this then. You potentially could use that money to pay the Water Department for the water that the parks use."

Mr. Rodriguez said, "Well you're already doing that."

Councilor Dominguez said, "Right."

Mr. Rodriguez said, "You're already doing that, but it would still be a transfer. And any use of that for the General Fund is a transfer."

Mayor Gonzales said, "The way I see it, Councilor Dominguez to your question, what type of infrastructure projects would that \$3.8 million.... what is eligible. It's going to be what is in the Water Utility CIP Plan, and basically this year, they've called for spending \$17 million to upgrade the water infrastructure in the City. \$3.8 million of that \$17 million could come from this tax that is generated so it goes in. But as Oscar indicated, it could only go into that CIP Plan that has been presented, I think, to Chris's Committee which is basically a 10 year, is that right Chris, that Public Utilities. It's a 5-10 year plan that basically shows how much investment needs to take place year over year over a 10-year period. And it's not just for water infrastructure, it's wastewater as well, right, that you guys are dealing with. So there definitely is need, but whether there is a capacity to actually implement \$3.8 million more above the \$17 million is certainly a question that I think Brian would have to have with Nick."

Mayor Gonzales continued, "But I do think that if we go down that path and we generate \$3.8 million more because it's going to take us 6 more months which it is, there's no way we can stop that from happening. That we ought to commit, somehow, that that money would go directly back into the water system during this upcoming fiscal year."

Councilor Maestas asked, "Point of clarification. We just removed the sunset on the PILOT, but we didn't set the actual payment. Will that be done during the course of the budget, but it can be up to 12% . Correct."

Mayor Gonzales said, "Correct. We removed it, so it's generally what the Council determines."

Councilor Maestas said, "And I just wanted to restate my motion. We're kind of really pushing the whole gross receipts tax issue, we're thinking really hard about when it should come into effect. We're laboring over how much. But if we consider a property tax increase and a temporary higher transfer, this can give us more time to really really think about these GRT increases. I am prepared to support a GRT increase, but only the one that has an option for the public to vote. So I won't be supporting the Hold Harmless. It was the subject of, basically, legislative claw-back in this last session. I don't know if there will be future attempts to basically call those enactments back, at least the ones that haven't been backed by bonds. I thought it has less earning power than the Municipal GRT. So that was my preference and I'm prepared to support that one, we're not going to hear it yet. I just wanted to explain, I think, why I can't support the Hold Harmless."

Councilor Harris said, "Again. And I understand infrastructure needs, but again, talking about the additional monies, we said \$3.8 million that may go into the Water Fund for capital projects. And I haven't seen the schedule for Water and Wastewater, but I assume the monies are in place to do what has been scheduled. Correct. I mean, the scheduled work does not require additional monies. So again it seems,

particularly since we're essentially cleaning things up, we're not going to be tapping the Water Fund like we have been for years. And with the existing rate structure and everything else, it seems as though we're going to be in good stead and be able to meet the requirements for our infrastructure. I assume that's been anticipated."

Councilor Harris continued, "And I also am concerned about... you know, if you think about the whole capital process, design, I don't know how much of this work is design, can it really be accomplished. If design contracts aren't in place and deliverables haven't been received in terms of drawings and specifications, I really question whether you can even put the money in service. And I really have a hard time taking money out of our local economy if we can't put it in service in short order, certainly within the next fiscal year. And that would be part of my concern about doing it on July 1. I really think January 1, if there's real possibility for taking some of the monies that we anticipate.... I'm discounting it from \$7.3 million...that again, it's just projected, I do understand that, down to \$5 million. It seems like that's a prudent approach and just is a cleaner arrangement that people will understand and accept is really my point of view."

Councilor Villarreal said, "On that point. Actually that's the first time I heard something that made sense about how we're looking at these pots of money that we're really just playing out to fill the gaps. So, I'm in support of that, Councilor Harris, I think, if we could get more details. But I do think it does keep it clean and we don't have to tap into another Hold Harmless GRT. And I've been confused, maybe because I'm new, why that even came about, why we have these options on the table, when really maybe we should have just kept looking at the Municipal GRT. So I'm curious how we can keep.... I don't know the details of this option, and if there are other Councilors that think this could be a possibility. Thank you."

Mr. Snyder said, "I just wanted to clarify some comments that were made. So from the utility standpoint, we have 10 year Financial Plans and Capital Improvement Plans for each of the utilities, Water, Wastewater and Solid Waste. Water we're fine. Wastewater, we don't have all the funding in place. So part of the Financial Plans, and the projects listed, and then based on the revenue streams, you look at do I need a rate increase, what kind of bonding capacity do I have. Those kinds of things are all taken into consideration. And my understanding from Wastewater and our 10 year window, a rate increase is needed to fund the needs of operation and maintenance as well as capital. So I just want to make sure that Water, we're fine. Solid Waste, I believe we're in need of some sort of rate increase over the next 10 years to maintain projects, and Wastewater the same way. So all the capital needs for the utilities are not currently met with the current rate structure. So I just wanted to make a clarification on that."

Councilor Lindell said, "The motion that is on the floor is to do an implementation in January. Is that correct?"

Mayor Gonzales said it is in July.

Councilor Lindell said, "We've talked about the 1/4% in January, and we've talked about 1/4% in July, and the 1/4%, correct me if I'm wrong Oscar, the 1/4% in January will be going away that is dedicated to water."

Mr. Rodriguez said, "Yes."

Councilor Lindell asked, "If it is possible, and if we were to implement that 1/4% of new Municipal GRT in January instead of July, that means we would have approximately \$3.5 million gap that we need to fill for operations. Correct."

Mr. Rodriguez said, "Correct."

Councilor Lindell said, "Just another idea, and being respectful of the point that Councilor Harris made, we could possibly consider doing the 1/4% Municipal GRT in January, which offsets the Water 1/4% going away and implementing an 1/8% in July on the Hold Harmless, which would create the \$3.5 to fill the gap."

Mayor Gonzales said the only thing is that it still would modify the GRT structure that the businesses are paying on July 1, so their GRT rate would go up by 1/8%. So that 1/8% will stay there. That's your point. So the 1/8% will stay long term and then when the 1/4% goes down...."

Councilor Lindell said then we end up with, instead of a net zero, a net 1/8% increase.

Mayor Gonzales said that is correct and there wouldn't be a lot of bookkeeping.

Councilor Lindell said Ms. Brennan has an idea of why that can't work.

Ms. Brennan said, "No. As a matter of fact, I want to just state now, because the answer to the question is that, in fact, the increments you enact are 1/8 increments."

Councilor Lindell said that could work.

Councilor Rivera asked what he heard is if we enact the 1/8% Hold Harmless that the State will discontinue giving us money as soon as we implement that.

Mr. Rodriguez said it will make no difference whatsoever, noting they can do the Municipal or Hold Harmless.

Councilor Rivera said then they will continue to give us what we receive, regardless of which we choose.

Mr. Rodriguez said yes, noting the 1/8% will generate \$3.5 million of Hold Harmless or Municipal GRT.

CLARIFICATION OF THE MOTION BY MAYOR: Mayor Gonzales said, "So the motion was to enact, you didn't say which GRT, but to enact it starting on July 1, 2016."

Councilor Ives said he understood the discussion we were having, because we didn't have the answer on the actual amount we could do, was whether or not anything that we're talking about, in terms of increases in taxes, whether GRT or property tax, whether we would initiate that effective on July 1 or January 1. He said, "So I moved to do it effective July 1."

Mayor Gonzales asked, "Do you want to offer an amendment that would propose what you are proposing."

FRIENDLY AMENDMENT: Councilor Lindell would like to amend the motion to say 1/8% enacted in July of Hold Harmless, and 1/4% enacted in January of Municipal GRT. THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE GOVERNING BODY.

CONTINUATION OF DISCUSSION ON THE MOTION AS AMENDED: Mayor Gonzales asked if everyone understands the amendment.

Councilor Villarreal said, "No, and I just have a clarification for that. I think what Councilor Lindell said in looking at a GRT increase, is it would them flesh out in January and there wouldn't actually be an increase in January, it would remain to be used."

Mr. Rodriguez said, "You would still be up by 1/8%, by what you said, originally."

Councilor Villarreal said, "Originally that wasn't the case. We were going to be flush and it would basically mean that that there wouldn't be a GRT increase for taxpayers. So now we're saying it is going to go up 1/8%, which means... what does that look like then."

Mayor Gonzales said, "Could you put up the framework [Exhibit "2"]. I think Councilor Maestas coined it perfectly, which is we pull it and place as part of that. So you repair 1/4% on the Water Infrastructure, you would replace it with 1/4% on the operational side of it, and that going into tonight would have been a net zero. So what we found out tonight, because the interest rates fell when they did, to start the clock, we were not going to be able to reduce the infrastructure GRT until December 31, so that's going to stay going as is. But we'll pass all the resolutions to pay it off. The question is on the framework up there is that we have to solve that rededicated/replace component, and right now it was only \$7 million, which meant we were going to have to raise our, potential for the Franchise Fee, more cuts. Under Councilor Lindell's proposal that we rededicate/replace we start with 1/8% right now, so it's 1/8% as of July 1, and that generates how much."

Mr. Rodriguez said it's a year, \$3.5 million, so for 6 months about \$1.6 million.

Mayor Gonzales said just put \$3.5 million, so you should add it on the Tax Increase, because that's what it would be and then just go ahead and add it all the way down.

Councilor Villarreal said she wants the clarification because she feels we're still feeding the gap with GRT increases, when really now there is going to be a net zero. We have a long term GRT increase we're trying to avoid.

Mayor Gonzales said this is correct.

Councilor Villarreal said, "So there's no other revenue source that we've considered at this time, except for this possibility."

Mayor Gonzales said, "You have the property tax as an option."

Councilor Maestas said 1.53 mils of property tax would give us 1/8%.

Councilor Villarreal asked, "Well then, how do we look at that option before we have to make a decision on this option. This is crazy."

Councilor Ives said, "On that point, I think we talk about it, and if we want to amend the motion again to address that by property tax increase instead of 1/8% Hold Harmless."

Mayor Gonzales said we have to see it, put it out, because Councilor Lindell has proposed something to show us what that would generate annually.

Mr. Rodriguez said 1/4% waived on January 1 is \$3.5 million. 1/8% raised "in July through June 1 is \$3.5 million," so this is the scenario. So it's \$14.2 million, so we're \$800,000..... *[STENOGRAPHER'S NOTE: There was conversation among the Governing Body that was completely inaudible, because everyone was talking at the same time]*

Mr. Rodriguez continued, "So the increase would have to be here, following the logic that we got from the Finance Committee. First taxes would come over here. And so, maybe at this point, at this level of the margin, then we could go with what was suggested here by Councilor Harris, about using \$800,000 as a one-time thing to make it all work. Then I would feel a lot more comfortable if that's the margin we're working with, than if we're talking millions of dollars."

Councilor Harris said, "Again, we said earlier to go to \$1.5 million, that represented a 4% Franchise Fee"

Mr. Rodriguez said, "Yes. It would be about a 4% Franchise Fee."

Councilor Harris said, "It is certain defensible. It's well within the range of whatever municipalities... as well as what we do already with other utility companies."

Mr. Rodriguez said yes sir.

Councilor Harris said, "So it seems to me that you would take the Franchise Fee up to the \$1.5 million, instead of the 0.7, in order to get to the \$15 million. That's just the way it seems to me. I would still try and advocate for not having a GRT increase, and that's really what we're talking about here. And that's what this represents is a GRT increase of 1/8%. I would rather try and bridge with end of year balances. And I would rather have a discussion about some level of property tax increase, because I think over time, that's really what we have to move toward in order to have something we can anticipate with a little more confidence, certainly than where we are now."

Mayor Gonzales said, "So we're going to the motion, and if it... I'm glad you put that out so we can decide whether or not we want to go down this path."

Ms. Brennan said, "Mayor, I'm sorry, I think we need two separate motions. I think the two tax increments were meshed up. So we need a motion on the 1/8% and a motion on the 1/4%, if I understood what you. I thought we were...."

Mayor Gonzales said, "Can we put that on a time out and then bring in the property tax discussion so we can understand all of it. Or can we table this motion to 30 minutes from now."

Councilor Ives said if he would like, he would withdraw the motion.

Mayor Gonzales said, "Why don't you withdraw the motion. Thank you."

WITHDRAWAL OF MOTION BY MAKER. Councilor Ives withdrew his Motion.

Mayor Gonzales said, "So, for lack of a motion it dies."

Ms. Brennan said yes.

Mayor Gonzales said, so there will not be, as part of this budget fix, a proposal to increase the Gross Receipts Tax for the Hold Harmless allotment.

13. CONSIDERATION OF RESOLUTION NO. 2016-\_\_\_\_ (COUNCILOR DOMINGUEZ). A RESOLUTION INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE. (OSCAR RODRIGUEZ) (Removed from the Afternoon Agenda to be heard with Items H(5), (6) and (7).

Mayor Gonzales said so let's move on the property tax side of the equation. He said if we wait until January 1, that's what we're looking at, right, with the exception of the tax increase. So \$3.5 million would be the property tax as opposed to the GRT.

Mr. Rodriguez said, "Yes. Of course the money comes in December. We can budget it now."

Mayor Gonzales said, "Then that's a full year of how many mills."

Mr. Rodriguez said 1.35 mills I think.

Councilor Maestas said 1.53 mills is equal to 1/8%.

Mr. Rodriguez said yes, in that range, but they will come to you with more figures as part of the budget proposal, and also trying to follow the direction you gave us, which is the discrete stuff that is associated directly with the Property Tax increase.

Councilor Maestas said, "It was my understanding, and we had a discussion about this, that the property tax increase does not necessarily require an Ordinance for its passage, that it's passed in the form of the budget approval. We can conceptually agree to a property tax increase, as we did in removing the sunset for the PILOT and allow that to move forward through the budgetary process. But for the purpose of trying to close the deficit, we can use some potential property tax increases. What I'm getting at, is maybe we can use in this case, language which provides 'up to a certain amount' of a property tax increase. As opposed to specifically designating it like we have to.... she's nodding her head. Okay you're going to correct me. Tell us about what's really required in terms of Council action in advance of budget approval for a property tax increase, and how specific must we be."

Ms. Brennan said, "You have to set your rate, and it is a set rate. It has to go to Taxation & Revenue, which sets the rate in September. They really decide the balance between commercial, residential and so forth, but you set a rate. It is by Resolution, and you have a more forgiving schedule in that sense. We haven't had the request to advertise and so forth. And you have until the time... for an effective date until we send it to the Local Government Division, the budget for approval, which is at the end of May. If you remember, last year we had a bit of a problem, because the Ordinance relating to the Water Fund Transfer was not effective until July 17<sup>th</sup> or something, and they wanted to know if that was okay and how we were going to cover that period and so forth. So it does have to be fairly definitive so Taxation & Revenue can set the rate and institute it in time for taxing."

Councilor Maestas said, "I think we ought to take action on this first, and then we'll know what we're talking about. I agree with Harris, I think we ought to strive for no net increase in GRTs, and I think that would be a much better outcome for us."

Councilor Dominguez said, "I'm interested in the discussion Councilor Maestas, but what I don't want to do, is I don't want to segregate each of those. I would rather take action on a package and not give any one of us the wiggle room, if you will, to support one without the other and not have any solutions for some of the framework that we are working on and coming up with."

**MOTION:** Councilor Maestas moved, seconded by Councilor Ives, to adopt the Resolution in this matter, and to increase the property tax rate by 1.53 mils, for a total of 4.347, and that it be dedicated for general municipal operations.

**DISCUSSION:** Councilor Maestas said it is equivalent to 1/8% GRT, the \$3.5 million.

Mayor Gonzales said this is Item #13, so we are considering all of those as a package, and asked if we have to go in order. "It doesn't matter, right." This is Resolution No. 2016-26. "And for the record, it is a Resolution increasing the property tax within the municipal boundaries of the City of Santa Fe."

Mayor Gonzales asked Mr. Rodriguez to get the framework back on the overhead [Exhibit "2"]. He said, "Under this framework, the property tax increase you are proposing would be the \$3.5 million and go as a tax increase. Correct."

Councilor Maestas said yes.

Mayor Gonzales asked him to explain his thoughts on the repair/replacement. He asked, "On the replacement GRT, what is your recommendation to the Council regarding that."

Councilor Maestas said, "Well, I just think we just make up the difference with GRTs instead of totally relying on gross receipts taxes, diversifying our revenue sources."

Councilor Lindell said, "I think that is important for us to have a very specific number as to what does this 1.53 mil, how much extra tax does that add on, per \$100,000 evaluation on a house. We don't know how much we're taxing people."

Mayor Gonzales asked if anyone can answer that question.

Mr. Rodriguez said, "It is going to take a little time, but I can give it to you."

Councilor Villarreal asked, "Can we just check the math to see if it totals to the amount of revenue."

Mr. Rodriguez said that's where we're getting to right now. It's not a straight ahead run together, because it goes to a formula that Tax & Revenue recommends we use. So that's what Adam is going to go do and run a spreadsheet. It takes into account assumptions, and then it goes there. To be sure, you get the biggest yield the first year, and from that point on it adjusts to inflation and Taxation & Revenue does that for us. And we'll get that figure to you soon."

Councilor Rivera asked, "What are the safeguards for the people who have lived on Canyon Road their entire life, and now own a piece of property worth millions of dollars. Are there any safeguards with property taxes for them."

Ms. Brennan said, "We can't create those safeguards, but there are appeals processes, there are some exemptions under the statute and they have been created for that purpose, whether they would address all the concerns we might have individually, I don't know."

Councilor Rivera said, "So we may stand some people who have lived in homes for generations that may not be able to afford the increases."

Ms. Brennan said, "There is also an appeals process. And I believe that rates increase on transfer. In other words, I don't know how often properties are revalued. I know they're supposed to be set at a certain time, but they're also revalued essentially when they're sold. So that would be a triggering event, that presumably those people would be selling the property."

Councilor River asked, "Does that only include sale, or does it include inheritance as well."

Ms. Brennan said, "I honestly don't know, but I think it may be sale, because that's the transaction of monetary value."

Mayor Gonzales said we will have a break at this time and we will be back at 9:30 p.m.

*Break 9:20 p.m. to 9:30 p.m.*

Mayor Gonzales said the motion before the Governing Body is to raise property tax.

Councilor Maestas said we are fixated on enacting a GRT increment to replace what we are going to repeal from the Water Fund. If it is adopted, this property is equivalent to 1/8% GRT, so we may be looking at only 1/8% GRT, so we will wind up with a net decrease in the combined taxes which would be a better outcome than repealing and replacing. He thinks that would be great.

Mr. Rodriguez said, "The question was how much would 1 mil generate. 1 mil brings in \$6 million and 1.53 mils would generate about \$3.5 million."

Mayor Gonzales asked what the property tax increase cost on the average home, about \$300,000 value.

Adam Johnson, City Budget Officer, said the appraised and assessed value are two different things. The assessed value is 1/3 of appraised value, so on a \$300,000, it would be 3 times the amount on \$100,000, which would be \$51 dollars per year. He said, "On the proposed increase at hand, here for a \$300,000 home, you would be looking at \$153 based on the assessed value."

Mayor Gonzales said, "On the framework, the proposed motion would raise \$5 million in property taxes in that top slot."

Councilor Villarreal said, "1.53 mils is on the table, yet there may be another option."

Mayor Gonzales said we have to vote on this first.

Councilor Villarreal said, "Don't you want to hear the other option. This is to enact this tonight, and this will come into play."

Mayor Gonzales said, "This is Item #13, so the motion, if adopted tonight, would increase the property tax within the City of Santa Fe by 1.53 mils, and that would become part of the budget framework."

Ms. Brennan said, "On Page 5 line 1, it says, 'increase by blank mils to a total of blank mils,' so the 1.53 mils is the first blank and we'll add the remaining information."

VOTE: The motion failed to pass on the following Roll Call Vote:

For: Councilor Ives, Councilor Maestas and Councilor Villarreal.

Against: Councilor Dominguez, Councilor Lindell, Councilor Rivera, and Mayor Gonzales.

This agenda item died for lack of a motion/action.

- 7) CONSIDERATION OF BILL NO. 2016-13 ADOPTION OF ORDINANCE NO. 2016-15 (COUNCILOR DOMINGUEZ). AN ORDINANCE ADOPTING A MUNICIPAL GROSS RECEIPTS TAX. (OSCAR RODRIGUEZ)

MOTION: Councilor Harris moved, seconded by Councilor Dominguez, to amend the Deficit Closing Framework that anticipates, in addition to the scheduled Fee Increase of \$2.50 million, a Franchise Fee equivalent to \$1.5 million, cuts equivalent to \$4 million, and the rededicated GRT equivalent to \$3.5 million, and that the difference be made up by an ending balance from fiscal year 2015/2016.

DISCUSSION: Mayor Gonzales said, "He added a second component Oscar, that I think was meant to replace the Franchise Fee going to \$1.5, because we were talking about amending the budget framework to allow for one-time cash reserves through operations that we were going to anticipate to be used to cover this year's \$15 million gap, but the Franchise Fee would stay at 0.7, wouldn't it, because we would get the difference from one-time cash reserves, not from Franchise Fee reserves.

Councilor Harris said, "Just for discussion that top line Tax Increase, just call it One Time General Fund Reserve."

Mayor Gonzales said, "Move the \$1.5 million back to \$ 0.7 back to the original number. So the top number would be plugged by one-time revenues."

Councilor Harris said, "Yes. It goes up from \$3.5 million. Do the math now at 0.7. Yes, it goes up to that same \$800,000, that's why I didn't put a number to it. I put it in the motion but that was a one time.... I wanted to be flexible. We don't know exactly where we're going to end up with Fee increases. We heard earlier it's going to be bit of a stretch to get to the \$4.0 million, but I think that's the goal we need to work toward, so I was going to leave the top line flexible. I wasn't going to put a specific number in there."

Councilor Ives said on the point the top line assumes a tax increase. We just voted down property tax.

Mayor Gonzales said he's using that line for a plug of the ending balance that would come from cash reserves.

Councilor Ives said in this year, we'll have \$4.3 million, so we'll do a one-time fix and then face a \$4 million deficit in the following year.

Mayor Gonzales said, 'No, because the 1/4% is enacted in January. He said the way I hear what you're saying is this proposal would not increase taxes, as part of this fix that we would use one time monies that are going to be generated because of the savings this year in operations plus whatever ending balance is in place, and so we would use that cash on hand to cover the gap is the way I was hoping it would go. But what Councilor Harris has said is there should be flexibility between imposing the Franchise Fee and the gap on hand. I think we need to, for purposes of the Finance Committee, as a Council provide some target numbers to hit, so when you come back you will have worked out that number. My preference would be that if we want to hit the \$4.3 million out of savings, that that's what we state tonight, that that's the target we have to work for."

Councilor Harris said, "I purposely included the \$1.5 million for Franchise Fees, that does represent 4%, and that's a defensible number for everything I've ever heard, so that the ending balance one time of, I don't want to say adjustment, but the one-time... leaving it at \$3.5 million is roughly half of what's being projected, and we know it's just a projection, things could change, but it's the same projection we've seen in each of the last 3 monthly reports. So I think it's likely we're going to hit it. I think the Franchise Fee is defensible at 4%, and I would say \$1.5 million, and we just use a smaller amount for the ending balance and decide where the rest goes. That's my proposal."

Councilor Maestas said, "I'll have to go back to what Oscar said. I'm the one that has been citing this positive trend, but we're counting money we don't have, number one. And then number two, we just drew that down by about \$600,000 by paying all those negative deficits in all those funds and we didn't take action in paying off the \$1 million MRC deficit. We're going to wait to the end of the year. That conceivably come out of that balance as well. That's about \$1.5 million that could top off the anticipated, projected surplus, and that's assuming it holds true. I'm just a little uneasy, because now we're taking about \$2 million. And at the end of the year is when all of the encumbrances come in, and there are sometimes so many they have to carry-forward in the next year. I think that's just a little too razor thin to be able call it definite and use it in the framework. I appreciate where Councilor Harris is going, but I'm just a little uneasy about whether we have that today and whether we may have that at the end of June, and I would have for that to go up in smoke with paying deficits in funds like we did earlier."

Mr. Rodriguez said, "Thank you for pointing that out. I do want to run a tape with you about the things that are there, starting with what we saw earlier today. The most I could possibly be comfortable with telling you is we are somewhere in the neighborhood of that target, and the very most would be \$2 million and that would be stretching it and would make staff a little nervous. But if there is flexibility between that and up to \$1.5 Million in transfers, etc., and then we could make other cuts, that would be enough for us to say it's feasible and we can get there. \$3 million, I think we're stretching it primarily for this reason. As we have talked to each of the departments and said, look our projections say you're going to be coming in at the price that isn't believable, we're going to use every penny in our budget. Clearly, this will be like a first exercise in using this, and I would feel a lot more comfortable with two years under my belt, but not at this point."

Mayor Gonzales said, "I do appreciate what you're saying. I do think, and I appreciate the discourse tonight by the Councilors, all of you, for looking for options to try and solve this difficult process. I voted against the property tax, largely, at this point, because I don't think it's right to use the property tax to fix the deficit. It doesn't mean to say, Councilor Maestas, that in the future we have to do as you indicated where there has to be more of a balance in how we deal with our tax structure so when there are downturns in the economy, there's not such a big impact to the City. But I think balancing this deficit on the backs of property owners is not the right thing to do at this time."

Mayor Gonzales continued, "Having said all that, though, on the issue of the Franchise Fee, I get very uncomfortable even going from the 0.7 framework up to \$1.5 million, knowing that's still within the acceptable margin because of the commitment we made to limit the use of ratepayer monies toward the Franchise. Having said all that, I think tonight, we're here to just decide on the issue of what taxes we would increase and when they start, and then leave the rest to the Finance Committee to try and solve."

Mayor Gonzales continued, "But I am in favor of looking for more savings to see if we can drive more savings during the rest of the fiscal year, or where we can cut costs to be able to meet that goal as to increasing more from the Franchise Fee. I think Councilor Harris has put us on the right track with his motion. I think starting January 1 instead of July 1, makes all the sense in the world, especially for the business owners in the community where it can be quite cumbersome to change tax rates, and we'll just have to solve the issue of how to get between here and January 1."

Mr. Snyder said, "I just wanted to speak to the ending balance a little bit. Oscar has spoken at Finance Committee about this, but those of you that don't sit on Finance Committee probably haven't heard him say this, but from maybe last budget cycle. The City does not do an ending balance closeout within 60-90 days after the fiscal years. They rely on CAFR, and relied on the CAFR forever, to close books. That means 6 months, January 1<sup>st</sup>, after it is due, that the books from the previous fiscal year actually close out. We're striving to move toward 60-90 days after the end of the fiscal year, which I think is a valiant effort from Oscar and staff to close out the books. In a City operation where they've never closed them out within 60-90 days, I think that's lofty. I guess the reason I'm saying this is, no matter what number we plug in there, we won't know what the number is until the books are finally closed. And if wait until the CAFR is done, as in years past, we're talking 6 months after, so we're halfway through the fiscal year already. And we may not have a good number until then. And even if we hit the 60-90 day target, which we're striving to do this year and then string it back it even further in upcoming years, we won't know any exact numbers."

Mr. Snyder continued, "I don't want to caution, but I want to caution. I want to let you know I don't want to go down a path where we're coming down July, August, September, into the fiscal year, what is the number. Well we won't have that number until we close the books. We're doing our best to curb spending now. These one-time savings, we're also using that same money to get to that \$4 million in budget cuts for next year. So that won't be available in future years. That's where we're pushing our budget conversations with each of the departments is, if you're not spending it, we're going to scale-back the operations, so it's doesn't impact service, or staffing because you're not utilizing. But it's a tough conversation we're having, and I just wanted to be up front and frank with you guys."

Mr. Rodriguez said, for clarification, the reason that we do this per CAFR is because the proposal here is to not raise the GRT effective January 1, 2017, and the reason for the big gap.

Mayor Gonzales said it is \$3.5 million, is what the gap would be, because we're starting 6 months late into the fiscal year and we have to find the \$3.5 million through a difference source. It would be either through increasing the Franchise Fees for this year, or trying to find it through one-time cash items or a combination of the two, which Councilor Dominguez, you guys probably could work out at the Finance Committee.

Councilor Dominguez said, "First of all let me say we've come a long way from where we were. Because in the beginning, no one wanted to do anything. They didn't want to raise taxes, make cuts, and they wanted to do everything at the same time. So, congratulations we've come a long way, but we're not quite there yet. I think what everyone is asking for is some flexibility. We still need to have a little bit of flexibility, not only for the Governing Body, but to kind of make sure that we narrow that gap and get to the place we need to be. But even as Brian and Oscar have said, they need flexibility as well to be able to fine-tune the numbers or get to the proposed budget they're working on right now. I think what it really means, is whatever the motion says, that flexibility needs to be built in there. So, if you want to say, on that first tax increase, maybe even a range might work."

Mayor Gonzales said, "We have to set the rate tomorrow, right."

Councilor Dominguez said, "Well then what we need to do is make sure in the motion we set that rate and we are clear about what day it is going to be."

Mayor Gonzales said, "I think he said that. I think we have to make more clarity, but you did say in essence, you did ask for flexibility."

Councilor Harris said, "That's correct. I tried to move that in by not saying a fixed number on that ending balance adjustment."

Mayor Gonzales said, "But the original motion was, correct me if I'm wrong, but you have to say whether it's a Hold Harmless or the Municipal GRT by 1/4% to start January 1, and that the gap in the framework would be covered by a combination or assortment of savings we have through year or Franchise Fees, and that would be addressed at the Finance Committee."

Councilor Dominguez said, "And I think that's what I'm talking about in terms of providing that flexibility. We don't want to tie staffs' hands too much in the Franchise Fee and come up with a number that's going to not make it possible."

Ms. Brennan said, "The Recorder is going to need a restatement of the motion."

Mayor Gonzales said, "We will. We're just getting to that point, I understand."

Councilor Rivera said he believes the flexibility is already built in. He said, "All we have that we are considering tonight is how and when we are going to raise the GRTs. The rest of it is built in. I think the Finance Department and the Finance Committee can do the rest of the work, based on the information they get from the Finance Department, as more figures continue to come in."

Ms. Brennan said, "Is Councilor Harris's motion on the floor yet?"

Mayor Gonzales said it is not on the floor yet, because we want it restated, because we want it to follow the other.

WITHDRAWAL OF THE MOTION: Councilor Harris withdrew his motion.

Ms. Brennan said, "With respect to the dedication, you don't have to make a dedication, it is just there in case you want to, the blanks in the Ordinance.

Councilor Harris asked, "A dedication as to percentage not as to time."

Ms. Brennan said, "The dedication to the purposes for which the money would be expended. You are not required to make a dedication. There are blanks in the bill if you wanted to."

MOTION: Councilor Harris moved, as part of the framework, to adopt Ordinance No. 2016-15, the 1/4% Municipal Gross Tax, that would be effective on January 1, and as part of the framework, we would have a rededicated Municipal GRT at an approximate amount of \$3.5 million, cuts to programs and operations in the approximate amount of \$4 million, Franchise Fee in an approximate amount of \$1.5 million, Fee Increases in an approximate amount of \$2.5 million, resulting in an end of year balance adjustment in the approximate amount of \$3.5 million, for a total of \$15 million for a budget framework.

DISCUSSION: Mayor Gonzales said, "Actually you don't have to roll all that in. What you can do is put forward a motion to increase the Municipal GRT by 1/4¢, and leave it at that, and when it starts, January 1. But we definitely understood what you were doing.

RESTATED MOTION: Councilor Harris moved, seconded by Councilor Dominguez, to adopt Ordinance No. 2016-15, to increase the Municipal Gross Receipts Tax increase of 1/4% effective, to be effective on January 1, 2017.

DISCUSSION: Councilor Maestas said, "I know we're talking about the lesser of two evils, but GRTs in my opinion, are a lot more aggressive than property taxes. We had an opportunity to diversify our revenues and slightly reduce the risk to future recessions, but we didn't do that. I realize we do need to solve this problem, and I will support the motion."

Mayor Gonzales said, "Thank you for bringing forward that type of policy discussion. It's what's needed to help make sure as we look to the future, that we have a strong balance. I think this motion, especially in light of when it goes into place will keep everything status quo where we solve this, meaning there won't be an impact to the taxpayer either through the property tax or GRT. The long term, as you've framed for us,

there will be a number of issues we address and properly correcting the allocation between property tax and GRT are the tough conversations we have to have, but we should have them in how we deal with future growth and opportunities."

Councilor Maestas said, "And Mayor, I just wanted to state for the record, I did have an amendment drafted and it was to amend the legislation to require that it go to a vote by the public, but based on all the timing issues, even if you did agree me and pass this legislation with this amendment, and get it on the November ballot, it could not take effect until July 1, 2017, which wouldn't work with this timeframe and balancing everything within the framework. So I'm not going to propose my amendment. I'm going to support the legislation, as presented."

Councilor Dominguez, "Thank you for that as well Councilor Maestas, I appreciate it. And I want to say, never say never, because there are still challenges that we have long term that certainly property taxes and that shift in flipping or reliance on one or the other, needs to happen, that discussion still needs to happen, and needs to take place."

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

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

Against: None.

\*\*\*\*\*  
STENOGRAPHER'S NOTE: Changes were made to Exhibit "2," to reflect the previous action.  
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Mayor Gonzales said, "So flexibility is built into this that if we have to go up to \$1.5 million, because we don't have a lot of cash on hand, the Finance Committee can address it. If we do find we do have enough, it could be a lower Franchise Fee. But tonight was not a vote on what those dollars would be."

Councilor Dominguez said, "For the media's sake, the bottom number, the Rededicated GRT, we need to look at that as well."

Mayor Gonzales said it is correct.

Councilor Dominguez said 1/4% is not \$3.5 million.

Mayor Gonzales said, "Yes, but it's only for 6 months. It comes in on January 1, so we will get \$3.5 million as part of the budget fix for the upcoming year from the 1/4%, because we only have it for 6 months."

Councilor Dominguez said, "As long as the media understands that."

Mayor Gonzales said in Year 2, it will be \$7 million.

## G. APPOINTMENTS

Councilor Villarreal said, "I just want to make a suggestion for future appoints, for I guess the City Clerk, to make sure that when we're doing appointments the terms are staggered, because there is often, in different committees a bunch of people that are rolling off at the same time, the Planning Commission was one of them. But even the Santa Fe River Commission, everyone's term is ending in 2019. And I just think for continuity purpose that we could try to stagger it somehow."

### Airport Advisory Board

Mayor Gonzales made the following appointments to the Airport Advisory Board:

Eleanor Ortiz – to fill unexpired term ending 02/2018; and  
Vernon (Bud) O. Hamilton – to fill unexpired term ending 02/2019

MOTION: Councilor Maestas moved, seconded by Councilor Harris, to approve these appointments.

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

### Children and Youth Commission

Mayor Gonzales made the following appointment to the Children and Youth Commission:

Catherine Dry – Reappointment – term ending 02/2018.

MOTION: Councilor Villarreal moved, seconded by Councilor Maestas, to approve this appointment.

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

Capital Improvements Advisory Committee

Mayor Gonzales made the following appointment to the Capital Improvements Advisory Committee:

Rick A. Martinez (Councilor Villarreal) – Reappointment – term ending 12/2017.

MOTION: Councilor Villarreal moved, seconded by Councilor Maestas, to approve this appointment.

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

Sister Cities Committee

Mayor Gonzales made the following appointment to the Sister Cities Committee:

Clara Padilla Andrews – to fill unexpired term ending 10/2016.

MOTION: Councilor Villarreal moved, seconded by Councilor Maestas, to approve this appointment.

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

Santa Fe River Commission

Mayor Gonzales made the following appointments to the Santa Fe River Commission:

John R. Buschser, Chair – Reappointment – term ending 02/2019;  
Philip J. Bové, Reappointment – term ending 02/2019;  
Dale Doremus – Reappointment – term ending 02/2019;  
Jerry Jacobi – Reappointment – term ending 02/2019;  
Frederick Emile Sawyer – Reappointment – term ending 02/2019;  
Luke Pierpont – Reappointment – term ending 02/2019;  
Anna Hansen (Alternate) – term ending 02/2019; and  
Francois-Marie Patorni (Alternate) – term ending 02/2019.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve these appointments.

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

Immigration Committee

Mayor Gonzales made the following appointments to the Immigration Committee:

Jewel Cabeza de Vaca – Reappointment – term ending 02/2018;  
Amparo Elisa Guerrero –Reappointment – term ending 02/2018;  
Susan Hayre – to fill unexpired term ending 02/2017;  
Elizabeth Hemmer – Reappointment – term ending 02/2018;  
Maria Christina Lopez – Reappointment – term ending 02/2017;  
Javier V. Rios – Reappointment – term ending 02/2018; and  
Alejandra Seluja, Chair – Reappointment – term ending 2018.

MOTION: Councilor Villarreal moved, seconded by Councilor Harris, to approve these appointments.

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

Santa Fe Metropolitan Planning Organization (SFMPPO) Transportation Policy Board

Mayor Gonzales made the following appointments to the Santa Fe Metropolitan Planning Organization (SFMPPO) Transportation Policy Board:

Mayor Pro-Tem Lindell; and  
Councilor Dominguez (Alternate)

MOTION: Councilor Ives moved, seconded by Councilor Dominguez, to approve these appointments.

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

*THE GOVERNING BODY THEN RETURNED TO THE AFTERNOON AGENDA*

17. MATTERS FROM THE CITY CLERK

There were no matters from the City Clerk.

## 18. 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 March 30, 2015, is incorporated herewith to these minutes as Exhibit "5."

### Councilor Maestas

Councilor Maestas introduced the following:

1. An Ordinance relating to Section 23-5, regulations for the use of the Plaza and Plaza Park, and to Section 18-8.9 Vehicle Vendors; amending Subsection 23-5.1 to amend the definition of "Plaza Periphery Area," as it relates to the Vehicle Vendor Ordinance to include portions of the Canyon Road area; amending Subsection 18-8.9 to clarify the definition of Vehicle Vendors to exclude transportation services; and making such other changes that are necessary to carry out the purpose of this Ordinance. A copy of this Ordinance is incorporated herewith to these minutes as Exhibit "6."
2. A Resolution authorizing Mobile Vehicle Vendors within the Plaza Periphery Area at specific locations and at limited times, pursuant to the Vehicle Vendor Ordinance, 18-8.9 SFCC 1987. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "7."

### Councilor Harris

Councilor Harris said, "I wanted to for the record, particularly those who were at the Finance Committee, that I had some real questions about the 8<sup>th</sup> amendment to the Molzen-Corbin contract on the Airport. I have to say I received that in a timely fashion, with a high level of detail. I thank Cameron Humphreys for presenting that and told him I would be following up. I had some follow-up questions. It's a complicated contract that has been in place for 8 years. I did receive what I was asking for at the Finance Committee and I got it in a very timely way. So I just wanted to note that."

### Mayor Gonzales

Mayor Gonzales said he has a Resolution regarding the Budget Committee, but he's going to hold off the introduction until he can speak with Councilor Dominguez.

Mayor Gonzales introduced the following:

1. An Ordinance, cosponsored by Councilor Maestas, authorizing the issuance and sale of the City of Santa Fe, New Mexico Water Utility System Refunding Revenue Bonds, Series 2016, in an aggregate principal amount not to exceed \$75,000,000 for the purpose of

defraying the cost of refunding, paying, defeasing, discharging, and/or restructuring certain outstanding Water Utility System/Capital Outlay Gross Receipts Tax obligations of the City; providing that the bonds will be payable and collectible from the net revenues of the City's Water Utility System; establishing the form, terms, manner of execution and other details of the bonds; authorizing the execution and delivery of a Bond Purchase Agreement and Escrow Agreement; approving certain other agreements and documents in connection with the bonds and the outstanding refunded or Restructured Water Utility System/Capital Outlay Gross Receipts Tax obligations; ratifying action previously taken in connection with the bonds; amending and restating Ordinance No. 2006-47; repealing all Ordinances in conflict herewith; and related matters. A copy of this Ordinance is incorporated herewith to these minutes as Exhibit "8 ."

2. A Resolution, cosponsored by Councilor Maestas, authorizing and approving submission of a completed application for financial assistance and project approval to the New Mexico Finance Authority to (1) refund and defease the City of Santa Fe, New Mexico's outstanding Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (tax exempt) and Series 2009B (taxable direct-payment Build America Bonds) and (2) and restructure the City's outstanding 2008 Drinking Water State Revolving Fund Loan Agreement #1475-DW and 2013 Drinking Water State Revolving Fund Loan Agreement #2696-DW. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "9 ."
3. A Resolution amending the Santa Fe Film Commission to provide for alternate members of the Commission. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "10 ."
4. A Resolution directing the City Manager to present a plan to the Governing Body on steps to implement a Verde Fund, and including the benefits, risks and impediments to implementing such a fund in the plan; allocating a percentage of gross receipts taxes to the Verde Fund; requesting an annual appropriation from the Impact Fee Fund; and requiring Finance Committee oversight of any programs funded through the Verde fund.

Mayor Gonzales introduced the following on behalf of Councilor Lindell:

A Resolution vacating the City's ownership of the High Road, and turning over ownership to the Los Lomas Homeowners Association. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "11 ."

#### Councilor Dominguez

Councilor Dominguez said Matt Ross owes him a telephone call, and he will get the first Councilor on his schedule for April 16<sup>th</sup>.

Councilor Dominguez said he has asked staff to make sure to contact the Finance Committee, and then members of the Governing Body, to work out the schedule for budget hearings. If Committee members have conflicts, they need to contact staff, so we can accommodate everyone's schedule.

### Councilor Villarreal

Councilor Villarreal said she would like to cosponsor Councilor Lindell's Resolution

Councilor Villarreal thank all of the Councilors that have tried to "on-board me," since there is no orientation process for new Councilors, which should change, and "I'm planning on being part of that solution." She said she owes Matthew O'Reilly a telephone call. She said it is challenging to make decision that you all have been talking about for a year, and to get all the details. She appreciates that Councilor Harris has put something forward which is a good solution, noting it may or may not work.

Councilor Villarreal said like for us to think, in the long term, about Property Taxes as being more progressive.

### Councilor Ives

Councilor Ives said he would join as a cosponsor of the matters introduced by the Mayor this evening, and by those introduced by Councilor Maestas.

### Councilor Rivera

Councilor Rivera introduced the following:

1. A Resolution supporting the party on the Pitch Soccer Tournament to be held at the Santa Fe Downs, May 21-22, 2016. A copy of this Resolution is incorporated herewith to these minutes as Exhibit "12"
2. A Resolution directing the City of Santa Fe Fire Department to waive EMT standby fees for the Santa Fe Summer Series Equestrian event at the Equicenter de Santa Fe; and authorizing the payment of said fees from a portion of the Lodgers Tax dedicated for Public Safety overtime costs.

Councilor Rivera wished his Father a Happy Birthday, as well as to his wife on April 3<sup>rd</sup> and his sister on April 5<sup>th</sup>.

Mayor Gonzales thanked the Council for the great discussion tonight.

I. ADJOURN

The was no further business to come before the Governing Body, and upon completion of the Agenda, the meeting was adjourned at approximately 10:15 p.m.

Approved by:

\_\_\_\_\_  
Mayor Javier M. Gonzales

ATTESTED TO:

\_\_\_\_\_  
Yolanda Y. Vigil, City Clerk

Respectfully submitted:

\_\_\_\_\_  
Melessia Helberg, Council Stenographer+