City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Bill No. 2015-___

Bond Tax Reallocation – Require Ordinance

SPONSOR(S): Councilor Dominguez for Finance Committee

SUMMARY: The proposed bill amends subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 to require that prior to authorizing a reallocation of proceeds from a voter-approved general obligation bond or tax that deviates materially from the information provided to the electorate that the governing body authorize such reallocation through the adoption of an ordinance.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: February 13, 2015

ATTACHMENTS: Bill
FIR

ACTION SHEET
ITEM FROM THE
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING
OF
MONDAY, FEBRUARY 23, 2015

ITEM 12

REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 11-9.1 SFCC 1987 AND SECTION 18-9 SFCC 1987 TO REQUIRE THAT PRIOR TO AUTHORIZING A REALLOCATION OF PROCEEDS FROM A VOTER-APPROVED GENERAL OBLIGATION BOND OR TAX THAT DEVIATES MATERIALLY FROM THE INFORMATION PROVIDED TO THE ELECTORATE THAT THE GOVERNING BODY AUTHORIZE SUCH REALLOCATION THROUGH THE ADOPTION OF AN ORDINANCE **(COUNCILOR DOMINGUEZ) (TERESITA GARCIA)**

PUBLIC WORKS COMMITTEE ACTION: Approved on Consent

FUNDING SOURCE: N/A

SPECIAL CONDITIONS / AMENDMENTS / STAFF FOLLOW UP:

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON TRUJILLO			
COUNCILOR BUSHEE	Not Present		
COUNCILOR DIMAS	Not Present		
COUNCILOR DOMINGUEZ	X		
COUNCILOR RIVERA	X		

CITY OF SANTA FE, NEW MEXICO

BILL NO. 2015-____

INTRODUCED BY:

FINANCE COMMITTEE

AN ORDINANCE

AMENDING SUBSECTION 11-9.1 SFCC 1987 AND SECTION 18-9 SFCC 1987 TO REQUIRE THAT PRIOR TO AUTHORIZING A REALLOCATION OF PROCEEDS FROM A VOTER-APPROVED GENERAL OBLIGATION BOND OR TAX THAT DEVIATES MATERIALLY FROM THE INFORMATION PROVIDED TO THE ELECTORATE THAT THE GOVERNING BODY AUTHORIZE SUCH REALLOCATION THROUGH THE ADOPTION OF AN ORDINANCE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Subsection 11-9.1 SFCC 1987 (being SFCC 1981, §9-3-12) is amended to read:

11-9.1 General Obligation Bonds.

A. The governing body may secure funds for projects or activities authorized by Section 3-30-5 NMSA 1978 or other applicable state law by:

(1) Submitting to a vote of the qualified electors the question of issuing the bonds; and

(2) Upon approval by a majority of those voting on the question favoring the creation of the debt, issuing and disposing of negotiable bonds pursuant to state law. The debt and interest on the debt will be paid for by assessing real estate property taxes over the life of the bonds.

B. The city shall use the money received from the issuance of the bonds only for the purpose for which the bonds were issued and all bond campaign public information materials generated by the city, shall be consistent with that purpose.

C. The city shall pledge its full faith and credit to the payment and debt retirement of the bonds. The city shall designate and maintain sinking and interest funds for the payment of interest on and principal of the bonds as the payments become due. Provided, however, that the city may pay the principal and interest on the bonds from any available revenues, and the levy or levies of taxes may be diminished to the extent such other revenues are available for the payment of such principal and interest.

D. Within thirty (30) days of passage of an election resolution authorizing the placement of general obligation bond questions on the ballot, the city shall provide information to the electorate regarding the purpose(s) of the general obligation bonds.

E. Any reallocation of proceeds from a voter-approved general obligation bond that deviates materially from the information provided to the electorate by the city of Santa Fe pursuant to paragraph D, above, shall be voted upon by the governing body [~~after a public hearing~~] <u>through the adoption of an ordinance</u>. For the purposes of this paragraph E, a change order reallocating such proceeds due to unforeseen or latent conditions is not a material deviation.

Section 2. Section 18-9 SFCC 1987 (being Ord. #2013-33, §2) is amended to read:

18-9 TAXES, NEW OR INCREASED; REALLOCATION OF PROCEEDS.

A. Within thirty (30) days of passage of an election resolution authorizing the placement of a question on the ballot that would seek to or impose a new or increase in any tax, the city shall

provide information to the electorate of the city of Santa Fe regarding the purpose(s) of the new or increased tax.

B. Any reallocation of proceeds from a voter-approved tax that deviates materially from the information provided to the electorate by the city of Santa Fe pursuant to paragraph A, above, shall be voted upon by the governing body [~~after a public hearing~~] through the adoption of an ordinance. For the purposes of this paragraph B, a change order reallocating such proceeds due to unforeseen or latent conditions is not a material deviation.

APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY A. BRENNAN, CITY ATTORNEY

M/Legislation/2015 Bills/Bond_Tax Reallocation_Require Ordinance

FIR No. 2617

City of Santa Fe
Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. **General Information**

(Check) Bill: X Resolution: _____
(A single FIR may be used for related bills and/or resolutions)
Short Title(s): **AN ORDINANCE AMENDING SUBSECTION 11-9.1 SFCC 1987 AND SECTION 18-9 SFCC 1987 TO REQUIRE THAT PRIOR TO AUTHORIZING A REALLOCATION OF PROCEEDS FROM A VOTER-APPROVED GENERAL OBLIGATION BOND OR TAX THAT DEVIATES MATERIALLY FROM THE INFORMATION PROVIDED TO THE ELECTORATE THAT THE GOVERNING BODY AUTHORIZE SUCH REALLOCATION THROUGH THE ADOPTION OF AN ORDINANCE.**

Sponsor(s): Councilor Dominguez for Finance Committee
Reviewing Department(s): City Attorney's Office / Finance Department
Persons Completing FIR: Rebecca Seligman / Teresita Garcia Date: 2/17/15 Phone: 955- 6501 / 955-6532

Reviewed by City Attorney: _____ (Signature) Date: 2/17/15

Reviewed by Finance Director: _____ (Signature) Date: 2-17-2015

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Section B. **Summary**
Briefly explain the purpose and major provisions of the bill/resolution:
The purpose of the bill is to amend Subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 to require prior to authorizing a reallocation of proceeds from a voter-approved general obligation bond or tax that deviates materially from the information provided to the electorate that the Governing Body authorize such reallocation through the adoption of an ordinance.

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Section C. **Fiscal Impact**
Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:
a. Indicate Fiscal Year(s) affected -- usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: _____

____X_____ Check here if no fiscal impact

Column #: 1	2	3	4	5	6	7	8
Expenditure Classification	FY 2015	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY ____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
Personnel*	$____	____	____	$____	____	____	____
Fringe**	$____	____	____	$____	____	____	____
Capital Outlay	$____	____	____	$____	____	____	____
Land/ Building	$____	____	____	$____	____	____	____
Professional Services	$____	____	____	$____	____	____	____
All Other Operating Costs	$____	____	____	$____	____	____	____
Total:	$____			$____			

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

a. To indicate new revenues and/or

b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #: 1	2	3	4	5	6
Type of Revenue	FY ____	"R" Costs Recurring or "NR" Non-recurring	FY ____	"R" Costs – Recurring or "NR" Non-recurring	
____	$____	____	$____	____	____
____	$____	____	$____	____	____
____	$____	____	$____	____	____
Total:	$____		$____		

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

None

Section D. **General Narrative**

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

No

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

If amendments to Subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 are not made to require prior authorization when reallocating proceeds from a voter-approved general obligation bond or tax that deviates materially from the information provided to the electorate, it would be difficult to reallocate the funds.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

No

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

By adopting the bill, amendments to Subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 to require prior to authorizing a reallocation of proceeds from a voter-approved general obligation bond or tax that deviates materially from the information provided to the electorate that the Governing Body authorize such reallocation through the adoption of an ordinance. This would clean up the financial process and expedite the financial reallocation of funds.

Form adopted: 01/12/05; revised 8/24/05; revised 4/17/08