

ACTION SHEET
CITY COUNCIL COMMITTEE MEETING OF 08/27/14
ITEM FROM FINANCE COMMITTEE MEETING OF 08/18/14

ISSUE:

22. Request for Approval of an Ordinance Amending Subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 to Require the City of Santa Fe to Conduct a Public Hearing Before the Governing Body Votes on Reallocation Proceeds from a Voter-Approved General Obligation Bond or Tax that Deviates Materially from the Information Provided to the Electorate. (Councilor Ives) (Teresita Garcia)

Committee Review:

City Council (request to publish)	08/27/14
City Council (public hearing)	09/23/14

Fiscal Impact – No

FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM

FUNDING SOURCE:

SPECIAL CONDITIONS OR AMENDMENTS

Add Councilor Rivera as co-sponsor.

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	Chair		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ	Absent to vote		

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

BILL NO. 2014-25

Bond / Tax Reallocation

SPONSOR(S): Councilors Ives and Rivera

SUMMARY: The bill amends Subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 to require the city of Santa Fe to conduct a public hearing before the governing body votes on reallocation of proceeds from a voter-approved general obligation bond or tax that deviates materially from the information provided to the electorate.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: August 21, 2014

ATTACHMENTS: Bill
FIR

1 creation of the debt, issuing and disposing of negotiable bonds pursuant to state law. The
2 debt and interest on the debt will be paid for by assessing real estate property taxes over the
3 life of the bonds.

4 B. The city shall use the money received from the issuance of the bonds only for the
5 purpose for which the bonds were issued.

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

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

15 E. Any reallocation of proceeds from a voter-approved general obligation bond that
16 deviates materially from the information provided to the electorate pursuant to paragraph D, above,
17 shall be voted upon by the governing body after a public hearing. For the purposes of this paragraph
18 E, a change order reallocating such proceeds due to unforeseen or latent conditions is not a material
19 deviation.

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

21 **18-9 TAXES, NEW OR INCREASED; REALLOCATION OF PROCEEDS.**

22 A. Within thirty (30) days of passage of an election resolution authorizing the placement
23 of a question on the ballot that would seek to or impose a new or increase in any tax, the city shall
24 provide information to the electorate of the city of Santa Fe regarding the purpose(s) of the new or
25 increased tax.

1 B. Any reallocation of proceeds from a voter-approved tax that deviates materially from
2 the information provided to the electorate pursuant to paragraph A, above, shall be voted upon by the
3 governing body after a public hearing. For the purposes of this paragraph B, a change order
4 reallocating such proceeds due to unforeseen or latent conditions is not a material deviation.

5 APPROVED AS TO FORM:

6 
7 _____

8 KELLEY A. BRENNAN, CITY ATTORNEY

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"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	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
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.)

Not applicable

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.

This bill relates to Ordinance #2013-33 which amended Subsection 11-9.1 SFCC 1987 to establish a requirement for the City to provide information, in a timely manner, related to the purposes of a proposed general obligation bond measure that would require ratification by the electorate of the City. The Ordinance also created a new Section 18-9 SFCC 1987 to establish a requirement for the City to provide information related to the purposes of any proposed new or increased tax that would require ratification by the electorate of the City.

2. Consequences of Not Enacting This Bill/Resolution:

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

The Governing Body could reallocate revenue that was approved by a voter-approved tax or bond without the electorate's knowledge of such reallocation even though the educational material provided prior to an election would differ from the reallocation.

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.

None that staff is aware of.

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.

A public hearing process would provide a mechanism for transparency when the Governing Body is considering reallocating funds from a voter-approved tax or bond.

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