

**ACTION SHEET
CITY COUNCIL COMMITTEE MEETING OF 05/27/15
ITEM FROM FINANCE COMMITTEE MEETING OF 05/18/15**

ISSUE:

31. Request for Approval of a Resolution Directing that a Financial Audit of the 2008 Park Bond Project Funding, to Include Modifications, Allocations, and Reallocations of Bond Funds, be Conducted By An External, Independent, and Qualified Accounting Firm In Accordance With Accepted Accounting Standards; Incorporate Adequate Funding For The Audit In The FY 2015/2016 Budget. (Councilor Maestas) (Oscar Rodriguez)

Committee Review:

Parks & Open Spaces Advisory Commission (scheduled)	05/19/15
Public Works Committee (scheduled)	05/26/15
City Council (scheduled)	05/27/15

Fiscal Impact – There will be fiscal impact, but a cost estimate cannot be established at this time because the scope and level of effort have not yet been defined by the named parties.

FINANCE COMMITTEE ACTION: APPROVED AS DISCUSSION ITEM

Approved Resolution, but a cost estimate cannot be established at this time because the scope and level of effort have not yet been defined by the named parties.

FUNDING SOURCE:

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-____
Parks Bond Review - JM

SPONSOR(S): Councilor Maestas

SUMMARY: The proposed resolution directs that a financial audit of the 2008 Park Bond Project funding, to include modifications, allocations, and reallocations of bond funds, be conducted by an external, independent, and qualified accounting firm in accordance with accepted accounting standards; incorporate adequate funding for the audit in the FY 2015/2016 budget

PREPARED BY: Rebecca Seligman, Legislative Liaison

FISCAL IMPACT: Yes

DATE: May 11, 2015

ATTACHMENTS: Resolution
FIR

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2015-_____**

3 **INTRODUCED BY:**

4
5 Councilor Joseph M. Maestas

6
7
8
9
10 **A RESOLUTION**

11 **DIRECTING THAT A FINANCIAL AUDIT OF THE 2008 PARK BOND PROJECT**
12 **FUNDING, TO INCLUDE MODIFICATIONS, ALLOCATIONS, AND REALLOCATIONS**
13 **OF BOND FUNDS, BE CONDUCTED BY AN EXTERNAL, INDEPENDENT, AND**
14 **QUALIFIED ACCOUNTING FIRM IN ACCORDANCE WITH ACCEPTED ACCOUNTING**
15 **STANDARDS; INCORPORATE ADEQUATE FUNDING FOR THE AUDIT IN THE FY**
16 **2015/2016 BUDGET**

17
18 **WHEREAS**, on March 4, 2008 City of Santa Fe voters approved a \$30,300,000 general
19 obligation bond ("2008 Bond") to acquire land for, and to improve, public parks, trails and open
20 spaces for recreational purposes; and

21 **WHEREAS**, on June 25, 2008, the Governing Body approved a draft implementation plan
22 dated October 31, 2007 and identified as "Draft 4" ("D4 Plan") for the 2008 Bond, together with
23 certain amendments thereto;

24 **WHEREAS**, the D4 Plan identified proposed improvements and related cost estimates at
25 City parks (collectively, "Bond Projects"); and

1 **WHEREAS**, on February 26, 2014 the Governing Body adopted Resolution No. 2014-17
2 (“Resolution”) authorizing a special external audit of 2008 Bond expenditures (“Audit”) upon
3 completion of the Bond Projects, excluding only the trail project at St. Francis Drive and Cerrillos
4 Road; and

5 **WHEREAS**, the Resolution provided for the City’s Internal Auditor to collaborate with staff
6 from the Public Works And Finance Departments and with members of the Bicycle and Trail
7 Advisory Committee (BTAC), the Parks and Open Space Advisory Commission (POSAC) or
8 successor commission, and the City Audit Committee to develop procedures for the conduct of the
9 Audit and to select an external auditor (“Auditor”) to perform the Audit; and

10 **WHEREAS**, the Resolution called for the Auditor to present the Audit to the Governing
11 Body no later than December 31, 2014, which was extended by Resolution No. 2015-2 to March 31,
12 2015; and

13 **WHEREAS**, the Auditor did not conduct an audit per accepted accounting standards, and,
14 therefore, did not render an expression of an opinion on accounting records, expenditures or internal
15 controls; and

16 **WHEREAS**, the Auditor, instead, performed an independent financial review based on
17 agreed upon procedures that was primarily a review of sampled records and projects; and

18 **WHEREAS**, on April 13, 2014 the Auditor presented its draft report titled “Independent
19 Accountant’s Report on Applying Agreed-Upon Procedures” (“Draft Report”) to the City of Santa Fe
20 Finance Committee; and

21 **WHEREAS**, the Draft Report generally concluded that the D4 Plan was not materially
22 implemented where changes were not approved, bond project budgets were significantly exceeded,
23 bond project completion could not be verified, documentation was incomplete, procurement policies
24 were not followed, policies and procedures were lacking, internal controls were not adequate, and the
25 review could not assert that all laws were followed; and

1 ATTEST:

2

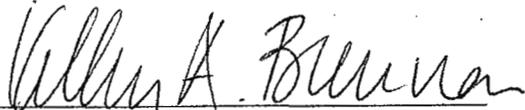
3

4 _____
YOLANDA Y. VIGIL, CITY CLERK

5 APPROVED AS TO FORM:

6

7



8

KELLEY A. BRENNAN, CITY ATTORNEY

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

M/Legislation/ Resolutions 2015/Parks Bond Review_JM

City of Santa Fe Fiscal Impact Report (FIR)

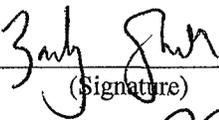
This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still 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: _____ Resolution: X
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **A RESOLUTION DIRECTING THAT A FINANCIAL AUDIT OF THE 2008 PARK BOND PROJECT FUNDING, TO INCLUDE MODIFICATIONS, ALLOCATIONS, AND REALLOCATIONS OF BOND FUNDS, BE CONDUCTED BY AN EXTERNAL, INDEPENDENT, AND QUALIFIED ACCOUNTING FIRM IN ACCORDANCE WITH ACCEPTED ACCOUNTING STANDARDS; INCORPORATE ADEQUATE FUNDING FOR THE AUDIT IN THE FY 2015/2016 BUDGET.**

Sponsor(s): Councilor Maestas
Reviewing Department(s): City Attorney's Office /Finance Department
Persons Completing FIR: Rebecca Seligman / Oscar Rodriguez Date: 05/08/15 Phone: 955-6501 / 955-6530

Reviewed by City Attorney:  Date: 5/14/15
(Signature)

Reviewed by Finance Director:  Date: 5-11-2015
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:
The proposed resolution directs that a financial audit of the 2008 park bond project funding, to include modifications, allocations, and reallocations of bond funds, be conducted by an external, independent, and qualified accounting firm in accordance with accepted accounting standards; incorporate adequate funding for the audit in the FY 2015/2016 budget.

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: 

_____ Check here if no fiscal impact. There will be fiscal impact, but a cost estimate cannot be established at this time because the scope and level of effort have not yet been defined by the named parties.

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.)

The resolution calls for the City Audit Committee, Parks and Open Spaces Advisory Committee, and others to prospectively arrive at a scope and work plan for the audit. Until these parties meet and provide this information, the cost for the audit will not be known.

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.

None identified

2. Consequences of Not Enacting This Bill/Resolution:

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

An audit by an external, independent, and qualified accounting firm in accordance with accepted accounting standards would not be conducted.

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.