

**ACTION SHEET
ITEM FROM THE
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING
OF
MONDAY, FEBRUARY 10, 2014**

ITEM 20

REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION NO. 2013-80 THAT CALLED FOR A THIRD-PARTY INDEPENDENT AUDIT OF THE 2008 PARKS, TRAILS AND OPEN SPACE BOND; AND AUTHORIZING A SPECIAL EXTERNAL AUDIT OF THE ENTIRE EXPENDITURE OF 2008 PARKS, TRAILS AND OPEN SPACE BOND (“2008 BOND”) (COUNCILOR WURZBURGER) (ISAAC PINO & MARCOS TAPIA)

PUBLIC WORKS COMMITTEE ACTION: Approved

SPECIAL CONDITIONS OR AMENDMENTS: Add a member of POSAC to the committee

STAFF FOLLOW UP:

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON WURZBURGER	Excused		
COUNCILOR CALVERT, Acting Chair	X		
COUNCILOR IVES	X		
COUNCILOR RIVERA	X		
COUNCILOR TRUJILLO	Excused		

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-____ Park Bond Audit

SPONSOR(S): Councilor Wurzbarger

SUMMARY: The proposed resolution repeals Resolution No. 2013-80 that called for a third-party independent audit of the 2008 Parks, Trails and Open Space Bond; and authorizes a special external audit of the entire expenditure of 2008 Parks, Trails and Open Space Bond ("2008 Bond").

At the Public Works Committee meeting on 2/10/14, the Committee approved a proposed amendment to the resolution as per the attached amendment sheet.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

DATE: February 11, 2014

ATTACHMENTS: Amendment
Resolution
FIR
Resolution 2013-80

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2014-__
Park Bond Audit

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2014-__:

1. On page 2, after "Department" *insert* ", a member of the Parks and Open Space Commission,"

Respectfully submitted,

Councilor Chris Rivera

ADOPTED: _____
NOT ADOPTED: _____
DATE: _____

Yolanda Y. Vigil, City Clerk

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-____

3 INTRODUCED BY:

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5 Councilor Rebecca Wurzbarger

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9 A RESOLUTION

10 REPEALING RESOLUTION NO. 2013-80 THAT CALLED FOR A THIRD-PARTY
11 INDEPENDENT AUDIT OF THE 2008 PARKS, TRAILS AND OPEN SPACE BOND; AND
12 AUTHORIZING A SPECIAL EXTERNAL AUDIT OF THE ENTIRE EXPENDITURE OF
13 2008 PARKS, TRAILS AND OPEN SPACE BOND (“2008 BOND”).

14
15 WHEREAS, on August 27, 2013, the Governing Body adopted Resolution No. 2013-80
16 which directed staff to audit, as part of the City’s regular annual external financial audit, all projects
17 funded by the 2008 Bond and completed by the end of FY 2013; and

18 WHEREAS, the completion of various 2008 Bond projects involving the expenditure of
19 funds did not all occur by the end of FY 2013; and

20 WHEREAS, the audit called for in Resolution 2013-80 has not yet occurred; and

21 WHEREAS, no special annual audits were conducted of the special expenditures of the 2008
22 Bond funds to determine if such expenditures were within the restricted terms and conditions of the
23 2008 Bond indenture as well as the language the voters approved for the 2008 Bond issue; and

24 WHEREAS, the present external auditor has annually audited most, if not all of the 2008
25 Bond expenditures that have been charged against the 2008 Bond funds of approximately

1 \$30,300,000; and

2 **WHEREAS**, such annual expenditures were included in the annual CAFR audits and should
3 have been audited to a higher material level, therefore the need for a separate audit of the \$30,300,000
4 2008 Bond funds.

5 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
6 **CITY OF SANTA FE** that Resolution No. 2013-80 is hereby repealed.

7 **BE IT FURTHER RESOLVED** that the Governing Body hereby authorizes, upon
8 completion of all projects or June 30, 2014, whichever occurs first, a special external audit of the
9 entire expenditure of the 2008 Parks, Trails and Open Space Bond.

10 **Section 1.** The City of Santa Fe Internal Auditor shall collaborate with staff from the
11 Public Works Department and Finance Department and a member of the City of Santa Fe Audit
12 Committee to:

- 13 (a) Develop “agreed-upon procedures” that the special audit would be conducted under;
- 14 and
- 15 (b) Select and contract with an external auditor to perform a special audit of the 2008
- 16 Bond funds.

17 For purposes of this section, “*agreed-upon procedures*” mean an engagement where the client
18 specifies procedures and the accountant agrees to perform those procedures.

19 **Section 2.** The Audit Committee shall be included in the process during the
20 development of the “agreed-upon procedures” and shall review the final version prior to engaging an
21 external auditor.

22 **Section 3.** The external auditor shall present the final special audit of the 2008 Bond
23 funds to the Governing Body, no later than December 31, 2014.

24 **BE IT FURTHER RESOLVED** that the findings of the audit shall be made available for
25 public inspection.

1 **BE IT FURTHER RESOLVED** that staff is directed to:

- 2 1. Collaborate with the City of Santa Fe Audit Committee to establish an audit policy
3 related to City of Santa Fe bond issues; and
4 2. Present the proposed policy to the Governing Body for approval.

5 PASSED, APPROVED and ADOPTED this ____ day of _____, 2014.

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8 ATTEST:

DAVID COSS, MAYOR

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10 _____
11 YOLANDA Y. VIGIL, CITY CLERK

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13 APPROVED AS TO FORM:

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15 _____
16 KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

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25 *M/Melissa/Resolutions 2014/Park Bond Audit_Amended*

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): Third Party Independent Audit of the 2008 Parks, Trails & Open Space Bond

Sponsor(s): Councilor Wurzburger

Reviewing Department(s): Finance

Person Completing FIR: Marcos A. Tapia Date: 02/03/14 Phone: 955-6530

Reviewed by City Attorney: *Vally A. Benavon* Date: 2/4/14
(Signature)

Reviewed by Finance Director: *Marcos A. Tapia* Date: 2/6/14
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution.

The purpose of the resolution is to direct staff to acquire a third-party independent audit of the 2008 Parks, Trails & Open Space Bond upon completion of projects authorized.

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)

_____ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
Expenditure Classification	FY _13/14_	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non- recurring	FY _13/14_	"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	<u>\$35,000-</u> <u>75,000</u>	<u>N</u>	<u>NR</u>	<u>\$35,000-</u> <u>75,000</u>	<u>N</u>	<u>NR</u>	<u>General</u> <u>Fund</u>	
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	<u>\$ 35,000 to</u> <u>\$75,000</u>			<u>\$ 35,000 to</u> <u>\$75,000</u>				

* 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 _13/14_	"R" Costs Recurring or "NR" Non- recurring	FY _13/14_	"R" Costs – Recurring or "NR" Non- recurring	Fund Affected	

<u>General Fund</u>	<u>\$ 35,000</u> <u>to \$75,000</u>	<u>NR</u>	<u>\$ 35,000 to</u> <u>\$75,000</u>	<u>NR</u>	<u>General</u> <u>Fund</u>	
_____	\$ _____	_____	\$ _____	_____	_____	
_____	\$ _____	_____	\$ _____	_____	_____	
Total:	<u>\$ 35,000</u> <u>to \$75,000</u>		<u>\$ 35,000 to</u> <u>\$75,000</u>			

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.)

Acquiring a third-party independent audit will require funding from the general fund to pay for an estimated cost of \$35,000 to \$75,000 depending on the level of detail and scope of review / audit.

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.

N/A

2. Consequences of Not Enacting This Bill/Resolution:

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

N/A

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.

N/A

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, social service providers and other institutions such as schools, churches, etc.

N/A

Form adopted: 01/12/05; revised 8/24/05

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2013-80

INTRODUCED BY:

Councilor Wurzburger
Councilor Bushee
Councilor Ives

A RESOLUTION

**DIRECTING STAFF TO ACQUIRE A THIRD-PARTY INDEPENDENT AUDIT OF THE
2008 PARKS, TRAILS AND OPEN SPACE BOND UPON COMPLETION OF PROJECTS
AUTHORIZED IN ACCORDANCE WITH THE BOND.**

WHEREAS, in March 2008, the voters of the city of Santa Fe approved the issuance of general obligation bonds for \$30,300,000 in order to acquire land for and to improve public parks, trails and open space for recreational purposes (“2008 Bond”); and

WHEREAS, city of Santa Fe Resolution No. 2007-22 created the Parks and Open Space Advisory Commission (“POSAC”); and

WHEREAS, part of the duties and responsibilities of POSAC is to “provide ongoing advice regarding all park and open space related issues including, but not limited to, the acquisition, dedication, planning, development, construction, operation and maintenance” and

WHEREAS, at the June 18, 2013 POSAC meeting, POSAC approved a motion to recommend to the Governing Body that before any money is re-obligated, a third-party independent audit of the 2008 Bond be conducted and shared with the public, providing information on how the Bond money

1 was allocated; and

2 **WHEREAS**, the comprehensive projects are nearing 99% completion; and

3 **WHEREAS**, the expenditures of the 2008 Bond money are in the final stages and upon
4 completion of all current projects, an audit is needed to identify exactly how much funding is
5 available for re-obligation; and

6 **WHEREAS**, as part of the 2008 Bond Campaign, the City committed that all funds would be
7 protected in a separate bond fund, subject to independent annual audit; and

8 **WHEREAS**, if such an audit is commissioned the associated costs can be paid with money
9 from the [~~2008 Bond~~] general fund.

10 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
11 **CITY OF SANTA FE** that the Governing Body authorizes staff to audit, as part of the City's regular
12 annual external financial audit, all projects funded by the 2008 Bond and completed by the end of FY
13 2013.

14 **BE IT FURTHER RESOLVED** that the findings of the audit shall be made available for
15 public inspection.

16 **BE IT FURTHER RESOLVED** that staff is directed to:

- 17 1. Collaborate with the City of Santa Fe Audit Committee to establish an audit policy
- 18 related to City of Santa Fe bond issues; and
- 19 2. Present the proposed policy to the Governing Body for approval.

20 PASSED, APPROVED and ADOPTED this 27th day of August, 2013.

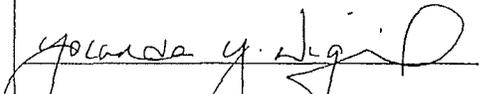
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DAVID COSS, MAYOR

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ATTEST:


YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:


GENO ZAMORA, CITY ATTORNEY