

Report to the Governing Body

Executive Summary

What follows is management's report to the Governing Body and general public on the planning and implementation of the 2008 Parks Bonds, issued in 2008 and 2010 for a total of \$30,300,000.

The Management Report is compiled at the request of Mayor Javier M. Gonzales and direction of City Manager Brian Snyder, and anticipating instruction from the Governing Body in the form of resolutions introduced by Councilors Carmichael Dominguez and Joseph Maestas.

The Management Report is intended to clarify where the bond funding was used, whether it was spent as intended, and how City Staff went about spending it, in order to provide the Governing Body and public with a foundation for the conversation about appropriate next steps.

To provide the highest possible level of public transparency, we have placed our report and the documents that support it in one easily navigable online hub, so that the public may review the entirety of the existing record.

We believe that the most reliable sources of information in the review of the parks bond are the records that were created at the time actions were taken and decisions were made. In order to prepare a report that reflects only the facts as we can assess them, staff has to the greatest extent possible relied on existing documents from the review period, including project files, the general ledger, payroll records, minutes from meetings, and the actual physical state of our Parks.

Staff has surveyed the departments involved in the process to ascertain what documents exist that are relevant, compiled them in one place, and based the report herein entirely on those documents.

First, we began an in-person review of improvements on the ground in the parks where parks bond fund work was performed.

Second, we compiled financial records for the projects that track every penny, including purchase records, payroll and budgets that detail the actual financial transactions with vendors and employees.

Third, we compared each of those data streams against the original question put to voters as well as the Council-approved Parks Bond Implementation Plan (Plan).

And finally, we reviewed the legislative record created by the ordinances, resolutions and meeting minutes involved in planning and implementing the Plan.

The review covers the development of the implementation plan and its approval process, using minutes from meetings of the Parks and Open Space Advisory Commission (POSAC), Finance Committee, Public Works Committee, and Governing Body up to the end of 2009. Additional minutes exist taking us up to the present day, and are currently available to the public for review on the Clerk's website, which will be linked to the web hub, but in the interest of submitting our work in a timely manner, the review of those additional records will be provided in a supplemental report.

From this review, we are able to make several observations, fleshed out in more detail in the full report below.

The initial implementation plan was approved while still in draft form, and its lack of specificity and occasional internal conflicts created lasting problems.

The plan and implementation process was also approved with no specified mechanism for reporting on work in progress (WIP) or for approval on changes to the work or the costs of the work, or for the closeout of projects.

The current administration has implemented internal controls to ensure more effective closeout procedures in future capital projects, as detailed in management's response to the REDW Report on Agreed-Upon Procedures. In this report we have attempted to reconstruct, using committee minutes, the approval process, as well as where and when changes were made to individual parks and trails projects and the attempts of staff to keep the committees and the Governing Body informed.

Despite its lack of specificity, the Implementation Plan provided an informative baseline to this review against which to compare the records we reviewed and address in the report. For each park, arranged in alphabetical order by district, we have compiled reporting for the budget and budget adjustments, the materials and contractor purchasing history, and the payroll records for in-house work. We have also conducted a physical inventory of work done in each park related to the implementation plan in order to document projects completed, partially completed, or left undone.

The work to pull this detail together and subsequent review revealed other flaws in the implementation of the plan. That includes a failure to compile in one easily-referenced location, in either physical or digital form, all of the relevant data related to expending these funds. Combined with staff attrition and turnover, this made answering questions from independent auditors, media, committee members and the public more difficult. This is a challenge the current IT staff is seeking to address with ongoing technology upgrades.

This review is part of a process launched by the Report on Agreed-Upon Procedures from REDW, which found upon a partial review of the records that were available to them that budget adjustment request forms were not always completely filled out, that payroll records were incomplete, and that closeout procedures for projects were not in place.

This is not the culmination of that process, but is instead intended to give the Governing Body a more complete picture of where money was spent, what the state of Santa Fe's parks and trails are as a result of the 2008 Parks Bond work, and what information can be ascertained from the minutes, resolutions and votes of the various committees involved.

Based on our review, staff is confident that every penny of the \$30,300,000 bond issue can be accounted for, and was spent appropriately, as approved by the voters, "to acquire land for, and to improve, public parks, trails and open space for recreational purposes."

In District 1, the original budget of \$2,218,579.00 was adjusted to \$2,880,644.00 over the life of the work. \$2,721,275.51 has been spent on improvements to 17 parks, and a balance remains of \$159,368.49.

In District 2, the original budget of \$2,117,375.00 was adjusted to \$2,244,492.00 over the life of the work. \$2,141,550.00 has been spent on improvements to 13 parks, and a balance remains of \$102,942.00.

In District 3, the original budget of \$2,038,675.00 was adjusted to \$2,272,331.00 over the life of the work. \$2,275,520.32 has been spent on improvements to 10 parks, and a balance remains of (\$3,189.32).

In District 4, the original budget of \$2,601,325.00 was adjusted to \$2,471,031.00 over the life of the work. \$2,459,765.63 has been spent on improvements to 11 parks, and a balance remains of \$11,265.37.

In the Regional Parks, the original budget of \$9,181,972.00 was adjusted to \$10,022,791.00 over the life of the work. \$10,002,159.31 has been spent on improvements to 8 parks, and a balance remains of \$20,631.69.

In the Northwest Quadrant, the original budget of \$2,965,328.00 was adjusted to \$2,890,095.00 over the life of the work. \$2,332,909.66 has been spent on improvements in the Quadrant, and a balance remains of \$557,185.34.

On four trails, the original budget of \$9,145,746.00 was adjusted to \$7,367,414.00 over the life of the work. \$6,490,252.07 has been spent on improvements to trails, and a balance remains of \$877,161.93.

In total, the original budget of \$30,269,000.00 was adjusted to \$30,300,000.00 over the life of the work. \$28,573,340.92 has been spent on improvements to parks and trails, and a balance remains of \$1,726,659.08.

Although records were scattered among departments and archives, leaving REDW with what we believe was an incomplete picture, they do exist and are extensive.

Where changes were made to the work, they followed a set of well-established and negotiated guidelines and, according to minutes for meetings of both the Governing Body

and committees, came with numerous and regular updates from staff, and, crucially, were often made upon direction from these bodies.

To test our work, at the request of the City Attorney, the internal auditor tested a random selection of one project file from each district, one trails file, and one northwest quadrant project file. Her findings are attached and labeled "Park Bond Pre-Audit Review".

The flaws identified in the REDW report are valid, but do not appear to be indicative of larger systemic problems, violations of law, or misappropriation of funds intended for parks into other arenas.

This is the extent of the report as it currently stands, and we are submitting it for public and Governing Body review and look forward to further direction for next steps. As records continue to be reviewed, we will continue to post information to the hub for this report.

Introduction

This management review is best read as a series of individual reports on each project conducted and an accounting of each dollar spent in the implementation of the 2008 Parks Bond. It is organized by district, one through four, followed by the regional park tasks following, and concluding with the Bicycle Trails Advisory Committee Trails tasks.

Each task report starts with the recommendations of the 2001 Master Plan, the 2007 Park Needs Assessment, and the 2008 Parks Bond Implementation Plan.

Those recommendations are followed first by budget details including the initial budgeted amounts for labor and materials on each project, the year-over-year budget adjustments, and the totals finally spent in each category during work on the parks.

Following the budget information, staff has compiled the existing purchasing records related to each task as well as payroll records for each worker employed on the project.

And each report concludes, in turn, with the results of the physical inventory conducted by Parks staff.

Project History

Resolution 2007-104, passed by the Governing Body on November 14, 2007, called a special election to be held in conjunction with the 2008 regular municipal election to ask voters to approve the issuance by the City of Santa Fe of up to \$30,300,000 of general obligation bonds “...to acquire land for, and to improve, public parks, trails and open space for recreational purposes.”

Resolution 2007-104 defined “Project” to mean the project described in the Bond Election Question.

On March 4, 2008, City voters approved the Bond Election Question.

Resolution 2007-104 and the March 4, 2008 vote were the culmination of a process begun in 2006 to restore and renovate the City’s parks, which were in poor condition as a result of a drought in 2002 and deferred maintenance.

As part of that process, the Governing Body passed Resolutions 2007-20 and 2007-22.

Resolution 2007-20, adopted on February 14, 2007, called on City staff to prepare preliminary cost estimates for funding capital improvements identified in the Parks, Open Space, Trails and Recreation Master Plan (2001 Master Plan) approved in 2001 by the Governing Body¹ and to work with City committees and commissions to establish priorities for the work called for in the 2001 Master Plan in anticipation of submission to the public in the 2008 election of the Bond Election Question. A final document, the “Parks, Open Space, Trails and Recreation Priorities”, summarizing the results of the process was to be made available to the public for consideration in relation to the proposed bond initiative.

Resolution 2007-22, adopted on February 28, 2007, created the Parks and Open Space Advisory Commission (POSAC) to replace the Parks Advisory Committee, which had a limited focus and had been nonfunctioning. POSAC was charged with making recommendations on priorities for funding parks and open space improvements identified in the Master Plan in anticipation of the proposed bond initiative, as well as providing ongoing advice on all park and open space issues. Development of the Implementation Plan

At POSAC’s first meeting on June 28, 2007, Project Administrator Ben Gurule, in his role as POSAC staff liaison, reviewed Resolution 2007-22 with particular attention to POSAC’s immediate charge to make recommendations on priorities for parks and open space improvements in anticipation of the proposed bond initiative. Mr. Gurule advised POSAC members that some improvements called for in the 2001 Master Plan were already underway and that committee members would be provided with additional information for discussion at POSAC’s next meeting.

¹ See Resolution 2001-80

Fabian Chavez, the Parks Division Director, summarized for the committee the history of the 2001 Master Plan and the efforts of City staff to update it by visiting all 70 sites to determine what it would take to bring them up to adequate standards and to do a cost analysis to estimate the cost to do the minimum work on all 70 sites. Mr. Chavez advised that the results of these staff efforts would be compiled in a Revised Master Plan and submitted to POSAC for review, prioritization and recommendations on improvements to be made with bond proceeds if the proposed bond initiative were to be approved by the voters. The goal was for POSAC to have its recommendations to the Finance Committee for its July 2007 meeting.

On August 9, 2007² POSAC met to begin the review process. At a meeting on September 13, 2007, POSAC met to develop general and park-specific recommendations on the Revised Master Plan. In response to questions from POSAC members, Mr. Gurule and Mr. Chavez explained generally that the cost estimates provided in the Revised Master Plan were based on data from parks projects that had gone out for bid and that a park would be deemed "adequate" if it complied with applicable ADA access requirements, had automatic irrigation systems with water-conservation features, included elements that met safety standards, and had healthy turf and trees. After additional discussion, the committee members began their park-by-park review and adopted a number of recommendations. At the end of the meeting, Mr. Gurule reminded POSAC that it needed to complete its work by October.

POSAC completed its review at its September 26, 2007 meeting. Mr. Chavez said at the end of the meeting that he would put figures to POSAC's recommendations and update the Revised Master Plan.

Based upon references to recommendations of the City's Bicycle and Trails Advisory Committee (BTAC) relating to individual trails projects, it appears that BTAC undertook a process similar to POSAC's. However, in the interest of providing this report in a timely manner, we have not traced that process, but have left it for a supplemental report.

Approval of the Bond Project

On October 9, 2007 the Public Works/CIP and Land Use Committee (Public Works) considered the Revised Master Plan and POSAC's recommendations, but postponed voting until its October 22, 2007 meeting, when it would have been reviewed by the Finance Committee (Finance).

Finance voted on October 15, 2007 to move forward with a revised figure of \$27 million, reflecting POSAC's recommendations and the discussion at the October 9, 2007 Public Works meeting, and the Finance Committee meeting.

² It does not appear that POSAC met in July 2007, as we have been unable to locate minutes for such a meeting and the August 9, 2007 meeting agenda lists "Review/Approval of the minutes of the June 28 meeting" only.

On October 22, 2007 Public Works voted, after a public hearing on the question, to approve use of a general obligation bond in the amount of \$27,032,247 to fund improvements to City parks and trails, with direction to staff to add a line item for trails and open space improvements in District 1 in conjunction with Councilor Bushee's request.

On October 29, 2007, the City Council voted to propose to City voters in the March 2008 election the issuance of general obligation bonds in the approximate total amount of \$30 million; to provide for input by neighborhoods on the design and planning of their neighborhood parks and trails; to increase the amount designated for the old power plant from \$531,000 to \$700,000, with \$430,000 for the park and the balance for restoration of the building; to increase the amount designated for Amelia White Park by \$100,000; and to push the Santa Fe County Board of County Commissioners to finalize a circuit breaker or rebate program to provide relief to taxpayers.

Resolution 2007-104 followed on November 14, 2007 and on March 4, 2008, City voters approved the Project.

Implementation Plan Approval

As part of his parks update at the June 10, 2008 POSAC meeting, Mr. Chavez reported to the committee that the Parks Bond Implementation Plan (Plan) developed by City staff at the direction of the City Manager was moving through the committee process. The Plan was based on POSAC's recommended improvements, as amended and approved by the City Council (Plan Tasks), with the work spread over a three-year period (Plan Schedule). Mr. Chavez gave a brief overview of the Plan, noting that it was not set in stone and outlining a number of considerations under review by staff in finalizing the Plan for Council approval. Among the considerations under review was "what their capacity could be. What workload can they stand?"³ For example, he noted that "...water fountains will be done thru out the parks all over the city in-house. Some of the things that can be done in-house will be addressed. Not only will they be working on the twenty parks under design and construction but there is a lot of in-house work they will be doing all over the city."⁴ From this it seems apparent that at this stage, before any Project work commenced, that the City had made it clear its intention to leverage the bond proceeds by using in-house staff whenever possible. This is also reflected in the Plan itself, which incorporates spreadsheets for each of the individual parks and trails projects, many of which contain the code "IH", designated as "In-House."

On June 9, 2008, Public Works discussed and approved the Plan, with changes. These included adding \$1.74 million for a pedestrian trail overpass at the intersection of Cerrillos Road and St. Francis Drive in place of the Santa Fe Community College Trail originally budgeted for that amount⁵ and switching the timeline for the Northwest Quadrant (NWQ)

³ POSAC Minutes, June 10, 2008, page 2.

⁴ Id.

⁵ BTAC recommended against construction of the Santa Fe Community College trail,

trails projects with the Santa Fe River Park project.

A memo dated June 9, 2008 from Mr. Chavez included in the meeting packet for that Public Works meeting, sets out the criteria used for the selection of projects to be implemented in 2008/2009⁶, including (1) projects already under contract for design and/or construction; (2) projects identified as suitable for in-house design/build, small contracts and/or on-call construction services; (3) , the distribution of work across all council districts; and (4) the impact of work schedules on public, recreational and sports league use. Mr. Chavez noted that the Plan was a draft and was subject to change.

On June 16, 2008, Finance voted to approve the Plan with the amendments approved by Public Works. Discussion at this meeting included comments from Councilor Ortiz that if the Plan was approved by the Governing Body, and something happened which prevented meeting the schedule, "...that could go to [POSAC] and then back to Public Works and Finance." The City Manager, Robert Romero, agreed, stating that he believed that the Council could change "this" - presumably, the Plan - "... at any time, as long as the funds are spent on parks, trails or acquisitions." Councilor Dominguez stated his concern that if priorities and specifics change, it not cost more, adding that he wanted to keep track of things that cost less to get an idea of where those proceeds could be reallocated.

The approved Plan was identified as "Draft 4". It did not provide sufficient detail in the work outlined for the individual park projects to qualify as scopes of work. This lack of specificity appears to have contributed to problems down the road in utilizing the funds. For example, the spreadsheet for Alto Bicentennial Pool includes in the shaded heading the words "Replace Elephant Fixture in Tot Pool", but the relevant spreadsheet row reads only "Elephant Fixture in Tot Pool". It is not surprising that different people read this differently even today.

At the regular meeting of the Governing Body on June 25, 2008, the City Council voted unanimously to approve the Plan, with the amendments approved by Public Works and Finance.

The Plan

The Plan broke the Project down into 54 parks projects at an estimated cost of \$18,157,926, 8 trails projects at an estimated cost of \$9,145,746, and the NWQ open space/trails requests at an estimated cost of \$2,965,328, with a projected total Project cost of \$30,269,000. It did not break out labor and materials/equipment costs for the individual park projects, but provided only a lump-sum cost for each.

The Bond; Creation of Accounts to Fund Individual Parks and Trails Projects

In June 2008, the City issued \$20 million in bonds. The bond proceeds were deposited in the City's cash account and recorded in a general obligation debt service fund (Debt Service

⁶ Plan projects were to be implemented between 2008 and 2011.

Fund). Of the \$20 million recorded in the Debt Service Fund, \$15,802,137 was distributed among the individual project funds in the amounts budgeted under the Plan (the Project Accounts), leaving \$4,197,863 in the Debt Service Fund to fund labor costs associated with the Project work. A payroll suspense fund (Payroll Suspense Fund) was created to control and account for payroll for City employees working on the individual parks and trails projects. The Payroll Suspense Fund allowed staff to track the total amount of in-house labor spent on the Project. This was also necessary because employees had to be paid for their work in each 80-hour pay period on a fixed schedule, and the time sheets showing where they worked in that pay period for how many hours were not available for posting before they were due to be paid. Amounts paid out of the Payroll Suspense Fund were funded out of the Debt Service Fund. Thus the Payroll Suspense Fund typically showed a zero balance. When time sheets were available for a pay period, the labor costs were posted to the appropriate individual park project fund. This is consistent with the function of suspense accounts, which are accounts in the books of an organization in which items are entered temporarily before allocation to the correct or final account. Only payroll for City-employee project managers and laborers working directly on individual parks and trails projects were paid from the Payroll Suspense Fund. All other costs for individual parks and trails projects were paid from their respective Project Accounts.⁷

⁷ Ultimately, on November 30, 2011, the Governing Body approved the allocation of \$4,357,780 from parks bond proceeds for project management and labor costs, together with an additional \$750,000 from the proposed CIP/GRT bond funds. This will be addressed in further detail in a supplement to this report. However, we note that the packet included detail on expenditures on project management and labor by park and on the transfer of general fund employees to the Parks bond.

Project Implementation

At the July 8, 2008 POSAC meeting committee members discussed a number of items relating to the implementation of the Project as set out in the approved Plan, including the installation of drinking fountains at fourteen parks by an in-house crew. Again, it appears that POSAC was briefed by staff from the beginning as to the use of in-house labor to complete some of the Project work. Committee members also received at the July 8, 2008 meeting a status update on a number of parks projects scheduled for implementation in 2008/2009, some of which were already underway. From then on, Mr. Chavez or Mr. Gurule, and sometimes both, or, occasionally, a designee, appeared at almost every POSAC meeting to provide committee members with a progress report on individual parks projects.

At POSAC's November 5, 2008 meeting, committee members discussed the incorporation of new skate facilities at Franklin Miles Park based upon discussions with BMX riders and skateboarders. Mr. Gurule pointed out that "...the department was past the preliminary drawings for [the park] and planned bids in late December, starting construction in early January and being finished by late July [when] they would move on to the construction at Ragle." He added that the scope of work at Franklin Miles Park included bringing "...the park into compliance in ADA and water conservation and then they would do the neighborhood requests for pavilion shade structures and xeriscaping to prevent the water runoff problem." Although members acknowledged Mr. Gurule's concerns regarding schedule and budget, POSAC voted unanimously to approve the motion "...that the Parks Department add more skate facilities to the Franklin Miles Park and...that the facilities should include some if not all of the requests recommended by the skaters and for the Parks Department to determine if this would be included in the existing budget or apprise the committee for the costs for their consideration on how to include it." It appears from this discussion that POSAC members actively engaged from the beginning in shaping a project in ways that differed from the approved Plan, even at the potential risk of delay and increased costs.

At POSAC's February 25, 2009 meeting, "[t]he committee agreed on the importance of feedback for Mr. Chavez and Mr. Gurule and decided [that]... a short status report would be provided monthly by each district [representative] and would contain feedback on problems as well as positive comments... Problems would be reported to the Parks Department as soon as possible... Parks with activity could be viewed to reduce the number of parks covered. ..." POSAC members were designated as district representatives. Thus it appears that POSAC members were actively engaged in monitoring performance on Project work as it progressed at the various individual parks and trails projects.

Staff's POSAC briefings included detailed information on work in progress (WIP), including changes in the work of the individual parks and trails projects. For example, at POSAC's February 25, 2009 meeting Mr. Chavez advised committee members that Gregory Lopez Park would be upgraded as recommended and reported that a small portion of the playground had been pulled because of ADA accessibility issues and that new playground

equipment and surfacing would be installed. He also reported that Pueblos del Sol was on hold because the Mayor's Committee on Disability wanted 100% of the trails to be ADA compliant. In all, he reported on the status of work at 14 individual parks and trails projects.

At POSAC's March 25, 2009 meeting, POSAC members reported on work in their designated districts. For example, one member reported that "the entrance to Ashbaugh Park looked difficult and wasn't working"; another reported that there had been "additional expense caused by ADA that hadn't been planned" at Gregory Lopez Park.

On May 20, 2009 Mr. Chavez reported to POSAC that construction at Patrick Smith Park had stopped on four items that needed approval by the City's Historic Districts Review Board. On July 22, 2009 he reported that all of the trails at Pueblos del Sol "...were being redesigned and landscaping and trees would have to be destroyed [because] [t]he trail system had been built before standards and made it difficult to reach compliance." On August 26, 2009 Mr. Chavez advised POSAC that Perez Park would be renovated in the next year and that "[t]he work would be done in-house." Work at John F. Griego would also be done in-house. Making the trails at Pueblos del Sol ADA-compliant was "...difficult, with grades that had to be changed or ramps that had to be cut or having to go into private yards." On October 28, 2009, Mr. Chavez reported to POSAC that "[a] survey on Melendez Park showed the easement was too narrow to put any ADA landscape or furniture in [and] [t]he \$1,500 was used to do clean up." At that meeting Mr Gurule addressed issues at Espinacitas Park and Monica Roybal. Mr. Gurule also reported that "...MRC and Pueblos del Sol had a lot of changes and the scope of work would be based on the needs of those who used the park. The neighborhood wanted features different from the leagues. The leagues, workers and neighbors discussed what would be done. The money was to be spent on the concession stand, for new stucco, bathrooms, roof, and safety netting. The current ball fields and backstops would be improved as well as bleachers with shade and trash receptacles done. The irrigation systems would be upgraded; parking areas improved and expanded and a culvert system constructed for drainage. Requests were made to improve the BMX track for city events and the volleyball court." These are just a few examples of the many reports on individual parks and trails projects provided to POSAC through 2009. In addition, Mr. Chavez invited POSAC members to contact staff with questions rather than wait for a meeting.⁸

The question of "leftover money" was also addressed at the October 28, 2009 meeting of POSAC. "Councilor Romero explained that Robert Romero thought district 2 parks had money allocated that wouldn't be needed. She gave Amelia White Park as an example that had \$46,000 left over. She said her request was for parks to be looked at as a whole, to see if there was additional money." Mr. Chavez replied that "...money was probably available in district 2 and that was within the purview of the governing body to move money. He said contingency money was held for unforeseen things and the councilor was correct that some parks had come in under budget."

⁸ POSAC Minutes, October 28, 2009; December 16, 2009

On November 16, 2009, Mr. Romero presented the updated Plan to Public Works for its approval. He advised the committee "...that two of the projects had significant changes, Pueblo del Sol trail and the MRC." He also advised on changes in cost, noting that "[t]here appeared to be about \$102,000 remaining..." on projects that had been completed, and "...recommended that no action be taken until [all the] projects were completed and then decide how to spend the remaining funds." He cited prairie dogs and HDRB approvals as "hitches" in implementation. Committee members asked a number of questions about specific parks and discussed the reallocation of unexpended funds, the roles and responsibilities of POSAC, and public input on work done to date. The discussion concluded with Public Works approving the Plan update.

On November 30, 2009 Mr. Romero presented the updated Plan to Finance for its approval, noting that the work to date was \$200,000 under budget, based on what was completed at the time. He advised that Public Works felt that reallocation of unexpended funds should wait until the Project was complete. Chair Ortiz stated that the committee process "...allows Councilors the ability to shift priorities within the Plan, with a gentleperson's agreement that funds will be shifted within [districts] and not across districts." In response to a query from Councilor Chavez as to whether the item would go to Council for approval, Chair Ortiz said, "...this always has been done only by the Committee, unless the Council requests to approve it. He said the only time this went to Council was when [Finance] made changes to some of the dollar amounts. He said the last time it came to [Finance], the members had questions and shifted work 'on this park, not on that park' and it was just direction to staff and we never took it to the next level." Chair Ortiz noted that Councilor Romero requested updates every six months. Following discussion regarding specific projects and related matters, Finance approved the updated Plan.

Based upon the foregoing, 2009 ended with a revised Plan recommended by POSAC and approved by Public Works and Finance. In addition, some "ground rules" had been established, including (1) that individual parks and trails project funds could be shifted within districts, but not across districts, (2) that the shift in work could be by direction to staff, (3) that Governing Body approval for revisions to the Plan was not needed except when changes were made to some of the dollar amounts (presumably referring to the reallocation of \$1.74 million in funds from the canceled Santa Fe Community College Trail to the Cerrillos - St. Francis pedestrian crossing and the inclusion in the Project of a number of NWQ projects adding approximately \$3 million to the Project), and (4) that any reallocation of unexpended funds would not occur until all the work of the Project had been completed.

It appears that Project funds were allocated within districts within and among the individual parks and trails projects to address changes in the work approved and/or directed by Finance and/or Public Works. It also appears that staff attempted to stay within the established budget for the individual parks and trails projects, even when the work changed due to things like terrain (e.g., at Pueblos del Sol) or in response to neighborhood wishes (e.g., at the MRC). These distributions appear to be consistent with the ground rules identified above. We note that any project of the scale of the Project, with 62 individual parks and trails projects of varying complexity distributed throughout the

City, will experience changes that will affect cost. This is especially true when the project is not well-defined at the start.

In the interest of providing this report in a timely manner, we have left the rest of the legislative record for a supplemental report on the years 2010 through the present. In the interim, the minutes for the committees are available on the City's website.

Observations

Based upon our preliminary review of (1) the physical inventory prepared by staff; (2) the finance report prepared by staff; (3) the legislative record reviewed to date; and (4) Plan, we make the following observations:

1. The Plan's lack of specificity, both as to the work of the individual parks and trails projects and the breakout of budget, created problems that flowed through to the present.
 2. There was no clear direction from the Governing Body when the Plan was approved on reporting on changes to the work and to the estimated costs for the work.
 3. As a result of conversion of the City's payroll from the AS400 to the E1 system, there was a lag in posting time sheet data which persisted until the Payroll Division could catch up. This was exacerbated by staffing shortages that resulted from the hiring freeze during the economic downturn, which made it impossible to perform these tasks manually. From the project side, it was difficult to know what funds remained for labor in each project.
 4. Communications among staff working on various aspects of the Project were at times lacking. Part of the problem was reliance on old and failing technologies that mitigated against any centralized systems accessible by all parties and real-time data. We note that records retention and access are key priorities identified by staff across the City to be addressed by IT upgrades.
 5. POSAC's early and deep engagement in the Project, including advocating for passage of the Bond Election Question, its efforts assisting with the development of the Plan, its close sustained interaction with staff, all may have contributed to engagement beyond its advisory role.
 6. Significant turnovers in key staff during the implementation period contributed to failures of communication and knowledge loss. During this period, Mr. Chavez, Mr. Gurule, Jackie Gonzales and Mr. Romero retired. Four Finance Directors and two City Attorneys served during this period.
 7. The economic downturn that occurred concurrently with the implementation of the Project contributed to reductions in staff through attrition and vacant positions, as well as failing technologies that affected outcomes.
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Purpose: The purpose of this review is to determine if the expenditures posted to the general ledger are supported.

Summary of

GO Bond

Results

Issues

Service and Material	Invoices/Support in Project File	Difference	Missing Invoice(s)	Document Number
Torreón Park Fund C.43050 District 1	126,828.39	115,568.00	11,260.39	8.88%
		1,894.26	Gametime	05/11/10 20123871
		2,063.48	Concrete Systems	09/03/10 20137766
		7,302.60	Renner Sports Surfaces	10/25/10 20143465
		0.05	Renner Sports Surfaces	06/14/11 20168310
		<u>11,260.39</u>		

Patrick Smith Park

Fund - 423038

District 2

Service and Material	Invoices/Support in Project File	Difference	Missing Invoice(s)	Document Number
	285,627.10	285,421.39	205.71	0.07%
		205.71	The Sign Man, LLC 05/12/2009	05/12/09 29034648

Note: 4 Invoices from the power plant are misfiled in there - acct number 423041

Park Bond Pre-Audit Review
Internal Audit

CITY OF SANTA FE

AshBaugh Park
Fund C.43004
District 3

Service and Material	Invoices/Support in Project File	Difference	Missing Invoice(s)	Document Number
363,952.14	358,087.33	5,864.81		1.61%
496.17			Eco Solutions	07/19/11 20172632
4,797.62			Eco Solutions	08/04/11 20174261
200.00			Santa Fe Power and Equipment	02/28/12 20195711
210.41			National Electric	03/13/12 20197237
160.61			National Electric	03/13/12 20197239
5,864.81				

Herb Martinez Park
Fund C.43023
District 4

Service and Material	Invoices/Support in Project File	Difference	Missing Invoice(s)	Document Number
190,393.20	165,991.43	24,401.77		12.82%
17,669.00			Eco Solutions	08/30/10
4,411.21			Eco Solutions	07/19/11
1,655.74			Santa fe Winnelson	02/14/11
7.47			Empire Builders	04/09/12
15.00			Empire Builders	04/09/12
15.79			Empire Builders	04/09/12
4.28			Empire Builders	04/09/12
49.77			City of Santa Fe Petty Cash	04/16/12
0.43			Big Jo True Value Hardware	12/20/12
449.08			Big Jo True Value Hardware	12/20/12
100.00			Lynch Fence Company	03/12/13
24.00			Lynch Fence Company	03/26/13
24,401.77				

Arroyo Chamisa Trail
Fund C.46003 2,089,197.18
Trails

Project folders not available - Kelley Brennan requested they be brought to her office

Note: There is no final accounting - just a listing of expenditures.

Northwest Quadrant Open Space
Fund C.46007 2,056,058.61
Open Space - Project

Project folders not available - Kelley Brennan requested they be brought to her office