City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-___

Parks Bond Review - CD

SPONSOR(S): Councilor Dominguez

SUMMARY: The proposed resolution calls for a special public hearing of the Finance Committee to consider alternatives for further investigation of the disbursement of funds from the 2008 Parks and Trails Bond Projects.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: May 11, 2015

ATTACHMENTS: Resolution
FIR

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2015-____

INTRODUCED BY:

Councilor Carmichael Dominguez

A RESOLUTION

CALLING FOR A SPECIAL PUBLIC HEARING OF THE FINANCE COMMITTEE TO CONSIDER ALTERNATIVES FOR FURTHER INVESTIGATION OF THE DISBURSEMENT OF FUNDS FROM THE 2008 PARKS AND TRAILS BOND PROJECTS.

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

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

WHEREAS, the D4 Plan identified proposed improvements and related cost estimates at 47 City parks and seven (7) trails (collectively, "Bond Projects"); and

WHEREAS, on February 26, 2014 the Governing Body adopted Resolution No. 2014-17 ("Resolution") authorizing a special external audit of 2008 Parks Bond expenditures ("Audit") upon completion of the Bond Projects, excluding only the trail project at St. Francis Drive and Cerrillos

Road; and

WHEREAS, the Resolution provided for the City's Internal Auditor to collaborate with staff from the Public Works And Finance Departments and with members of the Bicycle and Trail Advisory Committee (BTAC), the Parks and Open Space Advisory Commission (POSAC) and the City Audit Committee to develop procedures for the conduct of the Audit and to select an external auditor ("Auditor") to perform the Audit; and

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

WHEREAS, on April 13, 2014 the Auditor presented its draft report and findings (the "Draft Report") to the City of Santa Fe Finance Committee; and

WHEREAS, that report stated that, while it could find many instances of problems with the disbursement of funds from the proceeds of the 2008 Parks and Trails Bond, including parts of the Bond Implementation Plan that were not implemented and changes to the Implementation Plan that were not properly documented, it also found that it was impossible to deliver a comprehensive report on the use of the Bond funds because of a significant lack of documentation; and

WHEREAS, various City Committees began asking for documentation as early as December 2010, including regular requests from POSAC; and

WHEREAS, REDW concluded that due to the unorganized and incomplete condition of the documentation provided, including a final accounting and the names of people paid out of the Bond, they were unable to complete their scope of work and that they could not assert that all laws were followed; and

WHEREAS, City staff has had ample time to prepare and provide documentation to conclude that Bond monies were appropriately disbursed; and

WHEREAS, on the basis of the April, 2014 report, the Finance Committee concluded that it

is the duty of the Finance Committee to determine whether the 2008 Parks and Trails Bond funds were legally and appropriately disbursed, but in order to do so, the Finance Committee needs additional information to determine how the City expended funds under the 2008 Bond; and that it was the further duty of the Finance Committee to determine the best method to obtain this information and to take any further steps that would be necessary to deal with the ramifications of how these bond proceeds were used; and

WHEREAS, the State Auditor is not opposed to conducting additional work to get a more comprehensive perspective on what occurred and is still considering all potential options, including a possible special designation.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE that the Finance Committee will schedule a special meeting of the Finance Committee by date (30 days after the resolution has been adopted) which will be a public hearing to discuss which next steps are needed to sufficiently and comprehensively determine how Bond proceeds were expended, what remedial steps need to be taken in regards to these expenditures, and what steps need to be taken in the future to prevent similar occurrences.

BE IT FURTHER RESOLVED that, in preparation for that meeting, the City Manager is directed to have staff prepare and produce the following documents, known collectively as the "Final Accounting Report":

1. A list of all disbursements from the separate Bond account in which the proceeds of the 2008 Bond should have been placed, as required by law.

2. A comprehensive spreadsheet by project that were funded by the 2008 Bond including

a) Projects and initial amounts that were listed in the initial implementation plan and

b) Any other projects and activities that were funded out of the 2008 Bond proceeds and should include but not be limited to the following projects;

1. Marty Sanchez Links de Santa Fe Golf Course

2. Sun Mountain

3. Medians

4. Santa Fe Community Convention Center

5. La Resolana Park

6. 400th Anniversary

For all projects, the City Manager and staff shall provide information about:

a) The budgeted cost of each project,

b) Whether or not the project was completed,

c) If a project is not completed, how much has been done on the project and what needs to be done to complete it,

d) The amount spent on every project, including information about cost overruns and change orders, if any,

e) The personnel who worked on each project, including the Project Administrator, Designer, Parks Construction Supervisor, name of contractor and/or names of individuals on the Locals Crew.

3. A list of all City personnel whose salaries were paid out of the 2008 Bond fund, the work these salaries paid for, and the city division and department of these workers. If this information is not available, the City Manager shall so inform the Finance Committee.

4. An accounting of all 2008 Parks and Trails Bond funds that were placed in the Suspense Account.

5. The annual reports to the SEC (Securities Exchange Commission) that were made regarding the 2008 Parks and Trails Bond funds.

6. Any City Council packets regarding the 2008 Bond projects that were provided to the Governing Body as a whole from 2008 until the present.

7. An inventory and efficiency report on the irrigation audits of at least twenty parks projects

that included irrigation installation(s) and/or modification(s) in the 2008 Bond implementation plan. This inventory and efficiency report shall be managed by the Water Resources and Conservation Division in coordination with suitable Parks Division staff who currently hold an EPA/Water Sense Certification identified as Qualified Water Efficient Landscaper. This assessment shall analyze the installation and efficiency of the irrigation systems implemented with the 2008 Bond funding.

BE IT FURTHER RESOLVED that all this information is to be placed on the City's web site to be available to the public before the special Finance Committee meeting and the public is to be encouraged to study this information and come forward with any further information they have about the implementation of the 2008 Parks and Trails Bond.

BE IT FURTHER RESOLVED that this information shall be provided to the State Auditor's office, along with the report and the working documents prepared and utilized by REDW, the company hired to perform the initial independent financial report

BE IT FURTHER RESOLVED that City staff will actively promote the Final Accounting Report on both the City's web site and the media encouraging citizens and employees with knowledge of any impropriety or questions about the use of Bond funding to report this to:

a) The City of Santa Fe Fraud, Waste and Abuse hotline

b) The State Auditor's Hotline.

BE IT FURTHER RESOLVED that the Finance Committee shall use the information provided by staff and comment provided by the public to determine the best course of action to discover how the proceeds from the 2008 Bond were expended, steps including, but not limited to, a complete audit, an outside forensic criminal investigation, referral to the Attorney General or the State Auditor, referral to another law enforcement agency, or other means.

BE IT FURTHER RESOLVED that the Finance Committee shall use this information to direct staff to quickly develop policies and procedures so that record keeping for all city expenditures from any source will be transparent and publicly available.

BE IT FURTHER RESOLVED that the Finance Committee shall use this information to direct staff to determine whether any problems that occurred during the disbursement of the funds from the 2008 Parks and Trails Bond can be remediated.

BE IT FURTHER RESOLVED that, within 30 days of the delivery of the Final Accounting Report on the 2008 Bond, that a similar interim report on the 2012 Parks & Trails bond be delivered to the Finance Committee.

BE IT FURTHER RESOLVED that City Staff is directed to permanently end the practice of using city force account work to accomplish bond projects.

PASSED, APPROVED AND ADOPTED this _____day of _____, 2015.

_____

JAVIER M. GONZALES, MAYOR

ATTEST:

_____

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

_____

KELLEY A. BRENNAN, CITY ATTORNEY

M/Legislation/ Resolutions 2015/Parks Bond Review CD

FIR No. 2660

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 CALLING FOR A SPECIAL PUBLIC HEARING OF THE FINANCE COMMITTEE TO CONSIDER ALTERNATIVES FOR FURTHER INVESTIGATION OF THE DISBURSEMENT OF FUNDS FROM THE 2008 PARKS AND TRAILS BOND PROJECTS.**

Sponsor(s): Councilor Dominguez

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: _____ (Signature) Date: 5-12-15

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

Section B. **Summary**
Briefly explain the purpose and major provisions of the bill/resolution:
The proposed resolution calls for a special public hearing of the Finance Committee to consider alternatives for further investigation of the disbursement of funds from the 2008 Parks And Trails Bond projects.

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 ____	"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.)

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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.

A special hearing of the Finance Committee to consider alternatives for further investigation of the disbursement of funds from the 2008 Parks and Trails Bond projects would not happen.

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.

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