



# Agenda

Finance Committee Meeting  
March 17, 2008 – 5:15 pm  
City Council Chambers

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

CITY CLERK'S OFFICE

DATE 3-13-08 TIME 1:30

SERVED BY Yolanda Green

RECEIVED BY [Signature]

FEBRUARY 18, 2008

## INFORMATIONAL AGENDA:

## CONSENT AGENDA:

6. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – DESIGN, FABRICATION AND INSTALLATION OF ARTWORK AT CIVIC CENTER LOBBY (RFP #08/08/P); ROXANNE SWENTZELL (DEBRA GARCIA Y GRIEGO)
7. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FT. MARCY FILTRATION SYSTEM AND MAINTENANCE; POOL PRO (TERRIE RODRIGUEZ)
8. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO MEMORANDUM OF UNDERSTANDING – PROVIDE SENIOR SERVICES TO COUNTY RESIDENTS; SANTA FE COUNTY (TERRIE RODRIGUEZ)
  - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – COUNTY SENIORS FUND
9. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT – WELL SITE CONTROL BOXES WITH PANELS AND TRANSFORMERS FOR WATER DIVISION; MIOX CORPORATION (MIKE GONZALES)
10. REQUEST FOR APPROVAL OF GRANT APPLICATION – FY 2008/2009 LAW ENFORCEMENT PROTECTION FUND FOR POLICE DEPARTMENT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE, LOCAL GOVERNMENT (CHIEF ERIC JOHNSON)
11. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – TAXILANE CONSTRUCTION PROJECT FINAL QUANTITY ADJUSTMENT AT SANTA FE MUNICIPAL AIRPORT; MOUNTAIN STATES CONSTRUCTORS (JIM MONTMAN)
12. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – RUNWAY 15-33 RECONSTRUCTION PROJECT FINAL QUANTITY ADJUSTMENT AT SANTA FE MUNICIPAL AIRPORT; MOUNTAIN STATES CONSTRUCTORS (JIM MONTMAN)



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13. REQUEST FOR APPROVAL OF LEGAL SERVICES AGREEMENT – AFFORDABLE HOUSING; JOHN C. BIENVENU, ROTHSTEIN DONATELLI HUGHES DAHLSTROM SCHOENBURG & BIENVENU, LLP (FRANK KATZ)
14. REQUEST FOR APPROVAL OF A RESOLUTION DECLARING “BIKE TO WORK WEEK” AS AN ANNUAL CITY-SPONSORED EVENT IN CONJUNCTION WITH THE SANTA FE METROPOLITAN PLANNING ORGANIZATION AND THE NEW MEXICO BICYCLE COALITION (COUNCILORS CALVERT AND BUSHEE) (LAURA BANISH)
15. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE APPLICATION AND RESPONSE TO THE REQUEST FOR PROPOSALS ISSUED BY THE NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT, NON-METRO NEW MEXICO AREA AGENCY ON AGING FOR CONTINUATION OF SERVICES FOR SENIOR CITIZENS OF THE CITY AND COUNTY OF SANTA FE (MAYOR COSS, COUNCILORS CALVERT AND BUSHEE) (TERRIE RODRIGUEZ)
16. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO STUDY THE CONCEPT OF A “SOLAR ENERGY LOAN PROGRAM” FOR HOMEOWNERS IN THE CITY OF SANTA FE (COUNCILORS CALVERT AND WURZBURGER) (NICK SCHIAVO)
17. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – SHARED COOPERATIVE DIGITAL AERIAL ORTHOPHOTOGRAPHY PROJECT WITH U.S. GEOLOGICAL SURVEY, SANTA FE COUNTY AND CITY OF ESPANOLA, BOHANNAN HOUSTON, INC. (DENISE VIGIL)

## DISCUSSION:

18. REQUEST FOR APPROVAL OF FY 06/07 CLOSE-OUT AND RE-APPROPRIATION OF GENERAL FUND AVAILABLE CASH BALANCES (KATHRYN RAVELING) (Postponed at Finance Committee meeting of November 19, 2007, December 3, 2007, January 22, 2008 and February 18, 2008)
19. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – REWRITE CHAPTER 14 LAND DEVELOPMENT CODE (RFP #08/13/P); THE GRAESER LAW FIRM GROUP (JACK HIATT) (Postponed at Finance Committee meeting of February 18, 2008)
20. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY’S CONVENTION AND VISITORS BUREAU TO ESTABLISH RATES FOR THE CONVENTION CENTER AND TO NEGOTIATE SUCH RATES AS MAY BE NECESSARY TO MAXIMIZE REVENUES; RESPOND TO MARKET CONDITIONS; BE COMPETITIVE WITH LOCAL, STATE OR NATIONAL FACILITIES; AND ACCOMMODATE COMMUNITY NEEDS (MAYOR COSS) (KEITH TOLER)



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21. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON APRIL 9, 2008 AN ORDINANCE AMENDING ARTICLE 23-5.2 SFCC 1987 TO REQUIRE VENDORS PARTICIPATING IN THE MAJOR COMMERCIAL EVENTS ON THE PLAZA TO PROVIDE CRS TAX RETURNS TO THE CITY INDICATING INCOME RECEIVED DURING THE EVENT (COUNCILOR WURZBURGER) (FABIAN TRUJILLO)
22. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – UPGRADE OF ORACLE ENTERPRISE 1 SOFTWARE COMPUTER SYSTEM (RFP #08/11/P); LEVERAGE CONSULTING, LLC (KATHRYN RAVELING)
23. OTHER FINANCIAL INFORMATION:
  - A. UPDATE ON GROSS RECEIPTS TAX FOR MARCH 2008 AND LODGERS' TAX FOR FEBRUARY 2008 (KATHRYN RAVELING)
24. MATTERS FROM THE COMMITTEE
  - A. COMMITTEE WORK PLAN AND GOALS.
25. ADJOURNMENT

Interpreter for hearing impaired is available through City Clerk's Office upon 5 days notice.

SUMMARY OF ACTION  
FINANCE COMMITTEE MEETING  
Monday, March 17, 2008

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES: FEBRUARY 18, 2008	Approved	3
<u>INFORMATION AGENDA</u>	None	3
<u>CONSENT AGENDA DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO STUDY THE CONCEPT OF A "SOLAR ENERGY LOAN PROGRAM," FOR HOMEOWNERS IN THE CITY OF SANTA FE	Approved [amended]	3-4
<u>DISCUSSION AGENDA</u>		
REQUEST FOR APPROVAL OF FY 06/07 CLOSE- OUT AND REAPPROPRIATION OF GENERAL FUND AVAILABLE CASH BALANCES	Postponed to 03/31/2008	4
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY'S CONVENTION AND VISITORS BUREAU TO ESTABLISH RATES FOR THE CONVENTION CENTER AND TO NEGOTIATE SUCH RATES AS MAY BE NECESSARY TO MAXIMIZE REVENUES; RESPOND TO MARKET CONDITIONS; BE COMPETITIVE WITH LOCAL, STATE OR NATIONAL FACILITIES; AND ACCOMMODATE COMMUNITY NEEDS	Substitute Resolution approved	4-5
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – REWRITE CHAPTER 14 LAND DEVELOPMENT CODE (RFP #08/13/P); THE GRAESER LAW FIRM GROUP	Approved	6-7

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON APRIL 30, 2008 AN ORDINANCE AMENDING ARTICLE 23-5.2 SFCC 1987, TO REQUIRE VENDORS PARTICIPATING IN THE MAJOR COMMERCIAL EVENTS ON THE PLAZA TO PROVIDE CRS TAX RETURNS TO THE CITY INDICATING INCOME RECEIVED DURING THE EVENT	Approved	7-9
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – UPGRADE OF ORACLE ENTERPRISE 1 SOFTWARE COMPUTER SYSTEM (RFP #08/11/P); LEVERAGE CONSULTING, LLC.	Approved	9-13
OTHER FINANCIAL INFORMATION: UPDATE ON GROSS RECEIPTS TAX FOR MARCH 2008, AND LODGERS' TAX FOR FEBRUARY 2008	Information/discussion	13
MATTERS FROM THE COMMITTEE	Information/discussion	14-16
ADJOURNMENT		16

**MINUTES OF THE  
CITY OF SANTA FE  
FINANCE COMMITTEE**  
Monday, March 17, 2008

**1. CALL TO ORDER**

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Matthew Ortiz, at approximately 5:15 p.m., on Monday, March 17, 2008, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Councilor Matthew Ortiz, Chair  
Councilor Christopher Calvert  
Councilor Miguel Chavez  
Councilor Carmichael Dominguez

**MEMBERS EXCUSED:**

Councilor Rebecca Wurzburger

**OTHERS ATTENDING:**

Kathryn Raveling, Finance Director  
Melessia Helberg, Stenographer

There was a quorum of the membership in attendance for the conducting of official business.

**NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Finance Department.**

**3. APPROVAL OF AGENDA**

Chair Ortiz said Councilor Wurzburger has asked to postpone Item #18.

Ms. Raveling said the date of publication on Item #21 should be April 30, 2008 instead of April 9, 2008.

**MOTION:** Councilor Calvert moved, seconded by Councilor Dominguez, to approve the agenda, as amended, and to move Item #20 to be heard before Item #19.

VOTE: The motion was approved on a voice vote [absent for this action: Councilor Chavez]

#### **4. APPROVAL OF CONSENT AGENDA**

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve the following Consent Agenda as amended.

VOTE: The motion was approved on a voice vote [absent for this action: Councilor Chavez],

#### **CONSENT AGENDA**

6. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – DESIGN, FABRICATION AND INSTALLATION OF ARTWORK AT CIVIC CENTER LOBBY (RFP #08/08/P); ROXANNE SWENTZELL. (DEBRA GARCIA Y GRIEGO)
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A, REQUEST FOR APPROVAL OF BUDGET INCREASE – COUNTY SENIORS FUND.
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13. REQUEST FOR APPROVAL OF LEGAL SERVICES AGREEMENT – AFFORDABLE HOUSING; JOHN C. BIENVENU, ROTHSTEIN, DONATELLI, HUGHES, DAHLSTROM, SCHENBURG & BIENVENU, LLP. (FRANK KATZ)

14. REQUEST FOR APPROVAL OF A RESOLUTION DECLARING "BIKE TO WORK WEEK" AS AN ANNUAL CITY-SPONSORED EVENT IN CONJUNCTION WITH THE SANTA FE METROPOLITAN PLANNING ORGANIZATION AND THE NEW MEXICO BICYCLE COALITION (COUNCILORS CALVERT AND BUSHEE). (LAURA BANISH)
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16. *[Removed for discussion by Councilor Calvert]*
17. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – SHARED COOPERATIVE DIGITAL AERIAL ORTHOPHOTOGRAPHY PROJECT WITH U.S. GEOLOGICAL SURVEY, SANTA FE COUNTY AND CITY OF ESPANOLA, BOHANNAN HOUSTON, INC. (DENISE VIGIL)

**5. APPROVAL OF MINUTES: FEBRUARY 18, 2008**

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve the minutes of the meeting of February 18, 2008, as presented.

VOTE: The motion was approved on a voice vote [absent for this action: Councilor Chavez].

**INFORMATION AGENDA**

There were no items under this agenda item.

**CONSENT CALENDAR DISCUSSION**

16. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO STUDY THE CONCEPT OF A "SOLAR ENERGY LOAN PROGRAM," FOR HOMEOWNERS IN THE CITY OF SANTA FE (COUNCILORS CALVERT AND WURZBURGER). (NICK SCHIAVO)

A document regarding the proposed Solar Energy Loan Program, distributed to the Committee by Nick Schiavo, is incorporated herewith to these minutes as Exhibit "1."

Mr. Schiavo reviewed the information in Exhibit "1."

Councilor Calvert said the concept is for this to be as little risk for the City as possible. He believes

if we do it right, we would just need to know the additional charge by Homewise for doing this, because we already have contracts with Homewise for doing similar things. He said the additional charges might be passed along as part of the interest rate unless we can get a grant to pay for the administration.

Mr. Schiavo said he spoke with Energy, Minerals & Natural Resources Department about grant funds to pay for this, and although they say money is tight, they are looking into it, so there might be funds from this source.

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve this request.

DISCUSSION: Chair Ortiz asked if there are amendments which will need to be made to the Resolution at the end of the discussion.

Councilor Calvert said initially we were just going to do solar, and now that we are talking about solar plus energy efficiency, it might be wise to increase the bond amount to \$1 million instead of \$500,000, because there might be more demand for those kinds of things.

FRIENDLY AMENDMENT: Councilor Calvert offered a friendly amendment to the motion to increase the amount of the bond to \$1 million. **The amendment was friendly to the second.**

VOTE: The motion, as amended, was approved on a voice vote [absent for this action: Councilor Chavez].

Mr. Schiavo said there has been some support from the community, in particular the Wild Earth Guardians who just handed him a letter a few minutes ago with 40 signatures on it.

Chair Ortiz asked if Wild Earth Guardians are related to the Forest Guardians. Mr. Schiavo said yes, it is the new name of the organizations.

## **DISCUSSION**

18. **REQUEST FOR APPROVAL OF FY 06/07 CLOSE-OUT AND REAPPROPRIATION OF GENERAL FUND AVAILABLE CASH BALANCES. (KATHRYN RAVELING). (Postponed at Finance Committee meeting of November 19, 2007, December 3, 2007, January 22, 2008 and February 18, 2008).**

This item was postponed to the meeting of March 31, 2008.

20. **REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE CITY'S CONVENTION AND VISITORS BUREAU TO ESTABLISH RATES FOR THE CONVENTION CENTER AND TO NEGOTIATE SUCH RATES AS MAY BE NECESSARY TO MAXIMIZE REVENUES; RESPOND TO MARKET CONDITIONS; BE COMPETITIVE WITH LOCAL, STATE OR NATIONAL FACILITIES; AND ACCOMMODATE COMMUNITY NEEDS (MAYOR COSS). (KEITH TOLER).**

A copy of the substitute Resolution submitted by Councilor Dominguez, is incorporated herewith to these minutes as Exhibit "2."

Councilor Dominguez explained that the substitute Resolution is designed to capture the intent of Resolution No. 1994-25, with a little more specificity. He has no problem with the original intent of the Mayor's Resolution, as long as this language is included.

MOTION: Councilor Dominguez moved, seconded by Councilor Calvert, to approve the substitute Resolution.

*Councilor Chavez arrived at the meeting at this time*

DISCUSSION: Responding to the Chair, Mr. Toler said he has no problem with the substitute Resolution, commenting that he wants to ensure that Fiestas and the school system are well represented, and this is the intent of the 1994 Resolution.

Councilor Chavez asked about the rates.

Mr. Toler said the rates are in the packet, and we are looking at 19.6 ¢ per sq. ft. charge for the national conventions coming in, and 11¢ per sq. ft. for local events which is a 40% discount. The rates are broken out by individual space, with another price to rent the entire facility.

Councilor Chavez asked about the 2,500 sq. ft. for exhibit, sales and demonstration of quality handmade items, and if this would be a separate program with a whole separate rate structure.

Mr. Toler said this is correct. This is a completely separate structure, and that area is being operated by the Arts Commission and he has no control over, nor what is done, in that space. The Arts Commission will make those decisions.

Councilor Chavez said that 2,500 sq. ft. space needs to work in conjunction with new facility, and to help implement the cultural heritage and tourism component. He believes there should be no question in the new facility with regard to whether there will be exhibits and demonstrations in that 2,500 sq. ft. space and the adjoining outdoor space. He said those activities could take place alongside of, and in conjunction with, any convention.

Mr. Toler said this is correct, and we want to encourage convention delegates to go to the arts space and see the works done by local artists.

Councilor Chavez said the programs and how we program, market and sell that space, is just as important as what we name the facility.

Mr. Toler said he agrees.

VOTE: The motion to approve the substitute Resolution was approved unanimously on a voice vote.

**19. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – REWRITE CHAPTER 14 LAND DEVELOPMENT CODE (RFP #08/13/P); THE GRAESER LAW FIRM GROUP. (JACK HIATT) (Postponed at Finance Committee meetings of February 18, 2008)**

A copy of a letter with attachments, dated November 27, 2007, to the Purchasing Office, from Christopher L. Graeser, to To Whom It May Concern, regarding RFP 08/13/P, is incorporated herewith to these minutes as Exhibit "3."

Ms. Raveling said the RFP which was issued is in the packet, and a copy of the proposal submitted by Mr. Graeser was placed on the desks prior to the meeting.

Chair Ortiz said he had questions, and was able to speak with Mr. Hiatt and look at some of the materials submitted by Mr. Graeser.

Councilor Calvert said language on the first page of the Agreement provides:

"...with the Proposal, shall be deemed to be complete when the Contractor's compensation has reached the not-to-exceed amount set out in Paragraph 3.A."

He said it sounds as though the job is over when his money runs out. He asked how we can ensure that we have a complete product.

Mr. Hiatt said his communication with the Chair was about what kinds of things we can expect, and Mr. Hiatt is optimistic that we can bring this contract in at \$100,000. However, if an amendment to the contract were to be required, he believes it would be substantially less than the contract. He said he does not believe the entire amount appropriated for this purpose will be spent.

Councilor Calvert asked Mr. Hiatt if his optimism carries over to page 3 which provides that the contract will terminate on December 31, 2008.

Mr. Hiatt said this contract was written some time ago when he was more optimistic that it would be approved in back in January, and he would be happy to extend that time frame right now. He said between now and Council next week he will talk to the contractor, commenting that he believes there are things which can be pushed up in the timetable.

Mr. Hiatt said he wants to make it very clear that the contract is not for a complete rewrite of the Code, and he doesn't want that expectation. He said the contractor will take the list of things which people have found which are inconsistent within the Code, or that don't work in terms of processes, and try to fix all of those. He said there is no intent to do anything else. He said we are going to fix what we have and work with that.

Councilor Dominguez asked how familiar the company is with the code.

Mr. Hiatt believes the contractor, particularly Mr. Graeser, is very familiar with the City Code. He

said Mr. Graeser authored the Appeals rewrite which is now going through the Committees. He said Mr. Graeser was a Land Use Attorney with Santa Fe County as well as in private practice. He noted that Mr. Graeser and his staff are well skilled in writing, research and holding meetings of stakeholders, and he is counting on "us" to be able to convince the Governing Body and committees that what they are proposing makes imminent sense.

Chair Ortiz said he still has a concern, although it is lessened, that we are not artificially chopping up this contract so this contractor can come in for a little piece, and then get the remainder of what has been allocated in a series of amendments. He has seen this happen too often, and he has always been opposed to that kind of artificial construct. He is hopeful that the majority of the work will be done within this contract with the assembled team. He trusts that staff will communicate this concern to the contractor, and that the contractor is well aware when he signs the agreement that this Committee will be very critical of any kind of amendment on this particular agreement.

Mr. Hiatt said he understands Councilor Ortiz's concerns.

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve this request.

VOTE: The motion was approved on a voice vote with Councilors Calvert and Dominguez voting in favor of the motion, none against, and Councilor Chavez abstaining.

**21. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON APRIL-9 30, 2008 AN ORDINANCE AMENDING ARTICLE 23-5.2 SFCC 1987, TO REQUIRE VENDORS PARTICIPATING IN THE MAJOR COMMERCIAL EVENTS ON THE PLAZA TO PROVIDE CRS TAX RETURNS TO THE CITY INDICATING INCOME RECEIVED DURING THE EVENT (COUNCILOR WURZBURGER). (FABIAN TRUJILLO)**

Councilor Calvert if we are going to ask for information from last year's event or from the coming year's information.

Ms. McCormick understands it will be from the previous year's event, but they also will be asked to provide a copy of their tax return at the end of the event in which they currently are participating, so we will be asking for both. However, one is an entry point to get the booth, and the other is the follow up.

Responding to Councilor Chavez, Ms. McCormick said all vendors participating in the named events will be required to present a copy of their CRS statement and tax return to the sponsor.

Councilor Chavez noted that many of the vendors, especially the artists and craftsmen, are on a traveling a circuit and may not reside in New Mexico. He asked if we are going to ensure they have a business license and such.

Ms. McCormick said a business license is required to obtain a permit for the event, and they do have to have a New Mexico CRS and pay the GRT to the State of New Mexico.

Councilor Chavez said this is what is supposed to happen, even with the stationary galleries, noting a good portion of the art sales in the gallery are not taxed, and commenting that sales of food at the Farmer's Market are exempt from GRTs. He doesn't know that we are going to be able to enforce this, and he believes a good amount will slip through the cracks. He wonders how this would impact the local vendors in the Plaza Vendor Program, and he would like to get this information from them as well. He understands not everybody is willing to provide this information. He asked if people will be issued licenses or permits if they do not provide this information.

Ms. McCormick said it is her understanding that they won't get a booth if they don't provide this information.

Councilor Chavez is unsure about all of this, saying he believes we need to look at the whole gallery system as well, and probably will vote against this.

Councilor Dominguez said his understanding is that this applies only to the 8 major events, and does not apply to the Plaza vendors.

Ms. McCormick said this is her understanding as well.

Councilor Dominguez noted there are dual responsibilities – the sponsor is responsible for collecting the sealed envelope from the vendor. He asked what happens, for example, if a sponsor accidentally loses the sealed envelope, and why it is not the responsibility of the vendor to provide that to Taxation and Revenue.

Mr. McCormick said they were thinking it would be one point of contact, and secondly, the City can't go to Taxation & Revenue to find out whether someone paid their GRTs. This system was designed to provide the City with information that the vendor has paid the GRTs.

Councilor Chavez said it certainly isn't going to be perfect. However, the issue to him isn't the point of contact, but to try to collect as much GRTs as possible from the sale. He believes if we are identifying one group for collection, we need to try to collect from the others as well. He said the City depends on the GRT revenue.

Ms. McCormick said there was a meeting with all of the representatives from these events, and noted that in the past Taxation & Revenue people would come to these events and assist people with the paperwork and answer questions. She said Mr. Trujillo and staff have been meeting with Taxation &

Revenue to get some of that support. She said it is a "carrot & stick" where we make people available to help them to file their tax returns, as well as to ask the sponsors to provide the City with the sealed envelope information.

Councilor Chavez said this is a good start, and raises the issue.

Councilor Calvert noted a discussion in the minutes of the Business and Quality of Life Committee about doing something like they do at the Folk Art, but the sense was that these events are bigger or too large for something like that to work.

Ms. McCormick said they said where this is held on the Plaza, there are too many entry and exit points to be able to control "that."

Responding to Councilor Calvert, Ms. McCormick said the groups felt it would be very hard to manage, and it has been difficult in the Folk Art Market. They are looking at a two tiered system, but the vendors just thought they didn't have the capacity to set up and capture all of the potential sales, and that it could hurt the artisans who are showing.

Councilor Chavez said there are the artists and craftsmen who are sanctioned under the "organized event," as well as the vendors who set up in close proximity to the Plaza and do their sales and no one knows anything about them. We know nothing about how the arrangements are made for them to sell. He said if this moves forward, we may have a better way of knowing where the entry and exit points are.

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve this request.

VOTE: The motion was approved on a voice vote, with Councilors Calvert and Dominguez voting in favor of the motion, and Councilor Chavez voting against.

*Councilor Chavez left the meeting at this time*

**22. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – UPGRADE OF ORACLE ENTERPRISE 1 SOFTWARE COMPUTER SYSTEM (RFP #08/11/P); LEVERAGE CONSULTING, LLC. (KATHRYN RAVELING)**

Ms. Raveling said Mr. Chuck Haggis is in attendance, noting he is the vendor from Leverage. She said it was hoped to have Ula, the computer expert in attendance, but his flight was canceled.

Ms. Raveling said this has been a long time coming, noting there has been no upgrades for 12 years. Currently, there are functions which rely on a manual process such as the Personnel Action forms and time sheets, and this update will automate all of that. She believes it will assist all departments, not only Finance, and will assist Human Resources all the departments who do PA's. She said Mr. Williams and Ms. Gage can add to the benefits of the program. It will bring up systems we have not had previously. She said previously, Councilor Trujillo had concerns about the Fleet Maintenance System, and it will bring that system up. The system will tie into purchase orders, inventory, capital asset modules and will be a fully integrated system.

Responding to the Chair, Ms. Raveling said this is being paid from cash reserves. She included the entire RFP in the packet to indicate the expense of the project and the detailed proposal submitted by

Leverage.

Chair Ortiz asked if, after we spend these funds to upgrade, we would anticipate some sort of recurring expense or cost to maintain or to provide patches or support services.

Ms. Raveling said this is correct, saying currently the city pays a yearly maintenance fee and that will continue.

Chair Ortiz asked if the City will get a cost advantage for doing this upgrade, and less recurring expenses because the system would be better and we wouldn't need as much consultant work.

Ms. Raveling said she can't say this will reduce staff, but it will make staff more efficient.

Responding to the Chair, Mr. Haggis said maintenance was a separate addendum, and he doesn't have that with him, so he doesn't know what the cost would be. He said there are several options on the maintenance. He said, essentially, it is the responsibility of Leverage Consulting to bring the City live, fundamentally, without any defects in the software, presuming the system is configured and the process works end to end without issues. He said subsequent patches and add on work may be required, and other options presented, which weren't part of the base proposal, gives the City a certain number of hours they can call 24/7 to get a suitable response to resolve the issues. He said there is ongoing assistance which is 8:00 to 5:00 to answer routine questions, which is included as well. Then, there is an hourly rate beyond these hours.

Mr. Williams clarified that Leverage Consulting is the consulting company, and the City does anticipate maintaining a relationship with them for consulting going forward as we add modules in the future. However, the software maintenance will be charged by the parent company which is Oracle which owns the software, and Leverage Consulting is a business partner of Oracle. He said the cost to maintain the system will be more than it costs currently, and apologized that he doesn't have these numbers today.

Mr. Williams believes the greatest benefits to such an upgrade are in efficiencies – automated PAs, time sheets, and that there will be a user productivity kit which automates the process and staff can go on line and learn the process from beginning to end.

Councilor Calvert said perhaps we won't reduce staff, but perhaps Ms. Raveling won't need the additional staff she is requesting, saying he has to find some sort of benefit. He said efficiencies have to be transferred somewhere to the bottom line.

Mr. Williams said, without trying to be cute, this is really the cost of doing business, and we are never going to get away from recurring costs with respect to maintaining hardware and software systems. He said the City is so far behind in its financial software, noting there isn't automated H.R., and the City is just trying to catch up. He said right now is not a time where we can show that we are going to save money in terms of hard dollars, because we're just trying to catch up and get a system which is indicative of this world class City. He said we're trying to embrace technology and it will cost money to do that.

Councilor Calvert said the Committee has asked staff to quantify the savings which will result from a better and more efficient system. He said we keep asking for that, but we don't get the answer we are asking for.

Councilor Calvert quoted from paragraph 3, page 4 of the packet, as follows:

"The one component that is not included in this contract is a new utility billing system."

He asked if this is a likely avenue for that, or if a new billing system is only a possibility.

Ms. Raveling said Mr. Ortega has done some demos as well as IT staff, and at this point she is not ready to recommend a utility billing system. She spoke with Mr. Hagges before this meeting and the Enterprise I system will be able to tie into the current billing system, but she wanted to include this to make it clear that she is looking for another billing system. She and Mr. Hagges discussed that the current system is cumbersome to use, and one little mistake can "blow up the whole thing," and that there are no edits and such. She believes there is a better system, but staff is just beginning the process of doing demos. Responding to Councilor Calvert, Ms. Raveling said at this point it has to tie into the current system, but it is staff's plan to continue researching a better utility billing system and ultimately replace it.

Responding to Councilor Calvert, Ms. Garcia said it won't be necessary to "re-create the wheel," if we can find a software which will work on the Oracle base, which can be implemented and combined, so they don't have to download and upload, but could be independent as well as a consolidated system. She noted that Oracle has many partners and the City isn't restricted to one vendor.

Ms. Raveling said Councilor Calvert's question is whether this upgrade will help that system at this point, and the answer is no.

Councilor Calvert said it appears the City is locking itself into Oracle, and asked if we are getting any benefit in increasing our business with Oracle.

Ms. Garcia said the City always has had good support, but the problem now is that there are so many programs it takes her a week to isolate the problems. She said to have one Oracle base will relieve that problem.

Councilor Calvert said he is still searching for some kind of financial break in purchasing this software.

Ms. Raveling said the City did get a discount when it purchased the software system.

Ms. Garcia enumerated the many benefits to the City, noting the new software is self-serving, password protected and we can track entries back to the source. People also can key in time sheets, requests for leave and such. She believes the cost savings will be at the user level, rather than in processing.

Chair Ortiz asked if it would be possible to have staff reductions with efficiencies in the system.

Ms. Garcia said right now, she doesn't see any staff reductions, because there is no room not to meet the payroll on a timely basis. Further, she said she doesn't see any staff reductions in view of the union contracts and federal requirements. She said people already are working overtime every two weeks. Responding to the Chair, Ms. Garcia said they are receiving compensatory time only, and are not being paid overtime wages.

Councilor Dominguez said he lives and works in a technologically advanced world, and understands the benefit of technology. He also understands the need to have the needed support services. He asked if Leverage or Oracle will be providing that support.

Mr. Williams said, presuming this is approved, Leverage is the firm which will assist IT, HR and Finance in implementing the system and Leverage will be here as long as it takes to get everything up and running on all the modules.

Councilor Dominguez asked at what point does this end, and Leverage will be asking for more money.

Mr. Williams said the deliverables in this contract are very clear. All the modules the City purchases have to be up and running, everyone has to be trained, and we have to be fully functional and efficient on the application and all the modules, so that's when it will be done.

Mr. Hagges said assuming the startup was March 1<sup>st</sup>, the goal date is November 1, 2008.

Responding to Councilor Dominguez, Mr. Williams said there is web-based training as well as a user productivity kit which allows users to go on line and go through the process they need to know for their job step by step.

Responding to Councilor Dominguez, Mr. Williams said it will be customized so the user productivity kit and the web-based training will be specific to what it takes to produce, for example, a purchase order for the City.

Councilor Dominguez asked how Leverage facilitates this training.

Mr. Williams said Leverage helps us to develop it through the implementation process. He said Finance and HR have to be intimately involved because at the end of the day it is the City's system, but we do want to maintain a relationship with them, although we need to be functional on our own.

Councilor Dominguez asked when upgrades are done which are provided by Leverage, if the training included in the upgrade, or will the City have to pay another training fee to implement the upgrade.

Mr. Williams said beyond the scope of this project, if we want to implement another module or do a complex upgrade, then we would bring in a firm such as Leverage and they would charge an additional fee based on what we need from them.

Ms. Raveling said sometimes the upgrades are very minor, and sometimes they are very comprehensive and complex, so it would depend on the upgrade. The problem is that in the past we haven't done any of the upgrades. She said actually this cost should have been spread across the past 12 years because we haven't done any of the upgrades.

Councilor Dominguez asked who determines when the next upgrade needs to be made.

Mr. Williams said it would be IT, along with Finance and HR. It is a team approach. He said IT's role, in his opinion, is to empower the departments and divisions to do the jobs they need to do. He said IT should empower and assist the departments in terms of the technology, but not to perform that operation. He said these things will change with the implementation of these new modules.

MOTION: Councilor Dominguez moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved on a voice vote [absent for this action: Councilor Chavez].

## **23. OTHER FINANCIAL INFORMATION:**

### **A. UPDATE ON GROSS RECEIPTS TAX FOR MARCH 2008, AND LODGERS' TAX FOR FEBRUARY 2008. (KATHRYN RAVELING).**

A copy of "City of Santa Fe Total Gross Receipts Taxes Collected July 2001 through June 2008," with attached report on Lodgers' Tax for February 2008, is incorporated herewith to these minutes as Exhibit "4."

Ms. Raveling said there is a note from David Tapia, the administrator collecting Lodgers' Tax, that although the increase seems very high, it was against a month in the prior year which was extremely low. So, it's a little misleading if you just look at that month. She said there could be one big taxpayer who paid late, and it kicks into the next month. She said overall, we are at 3.45%, which overall is an increase from what we had seen in some of the other months. She believes we are catching up, and it looks a lot better. She said the projections on Lodgers' Tax for the debt service and the operation of the new convention center were based on 2%, so this gives a little flexibility.

Ms. Raveling said the GRT check was just received yesterday, and overall the City is at 3.71% which brings Lodgers' and GRTs a little closer together.

## **24. MATTERS FROM THE COMMITTEE**

### **A. COMMITTEE WORK PLAN AND GOALS**

Chair Ortiz said he added this item to the agenda. It seems there is an immediate issue with which to deal, as well as the upcoming budget hearings. He wants to know how the Committee would like to proceed. He said Councilors have received a Memorandum from the Mayor regarding his Public Safety Plan. He asked if this Committee would like to hear the Public Safety Plan in a special meeting of the Finance Committee, or as a part of the overall budget discussions.

Councilor Calvert said he would like to see the Mayor's Plan as a stand alone because of its effect. He also would like to ensure that we take advantage of strategic planning and that it is incorporated into the budget, instead of line item planning by department as we've done in the past. He wants to focus on the goals, objectives and priorities in consideration of the budget.

Councilor Dominguez would like to see the Mayor's plan separately, and would like to see more than just the Memorandum which was presented. He anticipates the Mayor and/or the Police Chief will provide that information. He asked the timeline for the budget process.

Chair Ortiz asked Ms. Raveling what is the staff process to get this Committee ready to hear the budget.

Ms. Raveling said most of the departments have submitted their budgets which are being reviewed by the Budget office. Once that is done, everything is entered and she can run reports, then the balancing process begins with the City Manager. She said we generally do the Finance Committee hearings in mid-April, and asked Committee members to bring their calendars to the next meeting so we can schedule dates for the hearings. She said the budget discussion usually goes through the end of April, sometimes into early May, stating that the budget is due to the State by June 1<sup>st</sup>.

Councilor Dominguez said the strategic planning process is interesting and educational, and he is looking for a better way to tie that into the hearing. He said it seems we would have to finish the strategic planning by the end of April.

Ms. Raveling said at the next meeting, staff can present an overview of the status of Strategic Planning.

Councilor Dominguez said he is looking for any discrepancies between what has been done and what will be coming from staff, and believes we should have all of that by the end of April.

Councilor Calvert believes most of the multi-year contracts are pretty much set. He would like to take all of the known out of the equation and determine the amount of discretionary funding with which the can work in the budget process.

Councilor Dominguez agrees, but believes we need to look beyond the two years in terms of strategic planning.

Chair Ortiz said if the Committee would like a strategic budget overlay which informs the budget process, we would have to spend time thinking about how to set up that structure. If we are thinking of doing it in a compressed time period, we have done budget hearings in 1-2 days, or spread them out. He said we can nail down the dates at the next meeting. He said the budget discussions will relate to strategic planning. He asked if the Committee would like to have the discussion on the Public Safety Plan sooner, or closer to the budget discussions.

Councilors Calvert and Councilor Dominguez would rather have that discussion sooner than later. Councilor Dominguez said he has a lot of questions about the Mayor's proposal.

Chair Ortiz said he spoke with the Mayor before this meeting, and it is not a proposal *per se*. It is really an informational item and is not set in stone. He asked the Mayor to flesh out the options, and to think about doing any of the identified options as resources to actually come up with other options in addition to those proposed which discuss raising the revenues from property taxes as well as not from property taxes to see what happens. He would like to see a reordering or reshuffling of the budget internally without a property tax increase, so we have options to consider. If there is a consensus, then it could be plugged into the budget discussion.

Chair Ortiz said another question is, if we are going with the proposal to increase manpower, if there will be a concomitant increase in the capital equipment needed by the additional positions, and if that is included in this plan.

The Committee discussed the timeline and made the following suggestions:

- ★ Suggestion to have a special meeting on April 14<sup>th</sup> on the Mayor's proposal, and perhaps invite the Public Safety to meet jointly with this Committee at that time.
- ★ Set all meeting dates at the next meeting, because the budget meetings begin the end of April.
- ★ Reserve May 5<sup>th</sup> and 6<sup>th</sup> for additional budget meetings if necessary.
- ★ Report on strategic planning at the March 31<sup>st</sup> meeting date. Ms. Raveling said staff can be ready by then, and Mr. Buller said he can be ready by then as well.

Chair Ortiz said he will keep this item on the agenda for the next two meetings. If Committee members should let him know if they have issues or items they would like to see as mid to long range goals, or as part of a plan, so these items can be discussed.

Councilor Calvert said there was a message on the utility bills this month that the Council approved a special charge for all water service customers. He wants to make it clear on the next utility bill, if at all possible, that this is an annual charge which is assessed only once a year.

## **25. ADJOURNMENT**

There being no further business to come before the Committee, and the Committee having completed its Agenda, the meeting was adjourned at 6:40 p.m.

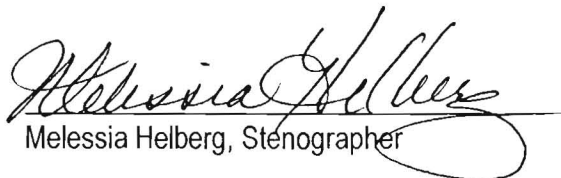
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Matthew Ortiz, Chair

Reviewed by:

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Kathryn L. Raveling, Director  
Department of Finance



Melessia Helberg, Stenographer