City of Santa Fe

Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
MARCH 2, 2015 – 5:00 P.M.

CITY CLERK'S OFFICE
2/26/15 TIME 2:55pm
Yolanda Green
Alicia Martinez

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

CONSENT AGENDA

5. Bid No. 15/11/B – Salvador Perez Fitness Equipment; The Fitness Superstore. (Robert Rodarte)
6. Request for Approval of Bus Bridge Services Agreement – Public Transit Services Within the City of Santa Fe; Rio Metro Regional Transit District. (Ken Smithson)
7. Request for Approval of Amendment No. 3 to Professional Services Agreement – Software Licenses and Technical Support; RouteMatch Software, Inc. (Ken Smithson)
8. Request for Concept Approval of Sale of Approximately 222 Square Feet of City-Owned Real Estate Adjoining the Northern Boundary of 319 Sanchez Street; Chaparral, LLC. (Matthew O'Reilly and Edward Vigil)
9. Request for Concept Approval of Sale of Approximately 226 Square Feet of City-Owned Real Estate Adjoining the Northern Boundary of 325 Sanchez Street; Donna Chamisa. (Matthew O'Reilly and Edward Vigil)
10. Request for Approval of Application – FY 2015/16 Law Enforcement Protection Fund; New Mexico Department of Finance Administration Local Government. (Eric Garcia, Police Chief)
11. Request for Approval of Professional Services Agreement – False Alarm Program Management Services for Police Department; AOT Public Safety Corporation d/b/a Public Safety Corporation (RFP #15/06/P). (Mario Salbidrez, Deputy Police Chief)
12. Request for Approval of Procurement Under State Price Agreement – Four (4) Ford Fusion Vehicles and Equipment for Police Department; Don Chalmers Ford. (Mario Salbidrez, Deputy Police Chief)

A. Request for Approval of Budget Adjustment – Police Property Tax Fund

13. Request for Approval of Agreement Between Owner and Architect – Southside Transit Center and Police Department Renovations (RFP #15/19/P); Huitt-Zollers, Inc. (LeAnn Valdez)

A. Request for Approval of Budget Adjustment – Alarm Enforcement Fund

14. Request for Approval of an Ordinance Amending Subsection 11-9.1 SFCC 1987 and Section 18-9 SFCC 1987 to Require that Prior to Authorizing a Reallocation of Proceeds From a Voter-Approved General Obligation Bond or Tax That Deviates Materially From the Information Provided to the Electorate That the Governing Body Authorize Such Reallocation Through the Adoption of an Ordinance. (Finance Committee) (Teresita Garcia)

Committee Review:

Public Works Committee (approved)	02/23/15
City Council (request to publish notice of public hearing)	03/11/15
City Council (public hearing)	04/08/15

Fiscal Impact – No

15. Request for Approval of a Resolution Supporting the Next Phase of Project Planning for the Santa Fe "Arts + Creativity Center" Which is Intended to Provide Affordable Live, Work, Creation, Performance and Retail Space for Artists and Creative Businesses in Santa Fe. (Councilor Rivera) (Alexandra Ladd)

Committee Review:

Public Works Committee (scheduled)	03/09/15
City Business Quality of Life Committee (scheduled)	03/11/15
City Council (scheduled)	03/11/15

Fiscal Impact – No

16. Request for Approval of an Ordinance Creating a New Section 10-11 SFCC 1987 to Prohibit the Sale of Single Serving Containers of Alcoholic Beverages, in Sizes of Eight Ounces or Less, Within the Municipal Boundaries of the City of Santa Fe. (Councilors Lindell, Dimas, Dominguez, Ives and Bushee) (Alfred Walker)

Committee Review:

Public Works Committee (public hearing) (approved)	02/23/15
Public Utilities Committee (scheduled)	03/04/15
City Council (request to publish notice of public hearing)	03/11/15
City Council (public hearing)	04/08/15

Fiscal Impact – No

17. Request for Approval of a Resolution Directing Staff to Propose an Operational Plan and Programming Options for the Establishment of a Teen Center That Would Benefit the Youth of Santa Fe. (Councilors Dominguez, Rivera, Dimas, Ives and Bushee) (Terri Rodriguez and Chris Sanchez)

Committee Review:

Public Works Committee (approved)	02/23/15
Mayor's Youth Advisory Board (scheduled)	03/05/15
City Council (request to publish notice of public hearing)	03/11/15
City Council (public hearing)	04/08/15

Fiscal Impact – Yes

END OF CONSENT AGENDA

OTHER ITEMS NOT REVIEWED BY FINANCE DEPARTMENT FOR DISCUSSION

18. Request for Approval of a Professional Services Agreement – Services at The Santa Fe Railyard; The Santa Fe Railyard Park Stewards. (Bob Siqueiros)

    A. Request for Approval of Budget Increase – Railyard Project Fund

19. Request for Approval of Application – FY 2015 Section 5307 Urbanized Area Apportionment to City of Santa Fe; Department of Transportation Federal Transit Administration. (Ken Smithson)

    A. Request for Approval of Budget Adjustment – Transit Bus Operation Fund

DISCUSSION

20. Request for Approval of Budget Adjustment to Provide Full Funding for FY 2014/15 Economic Development Program. (Kate Noble)

21. Discussion on Budget Follow-up:

    A. Budget Calendar

    B. Council Budget Discussion Review – Strategic Priorities

    C. Hold Harmless

22. OTHER FINANCIAL INFORMATION

23. MATTERS FROM THE COMMITTEE

24. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520 five (5) working days prior to meeting date.

SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, March 2, 2015

ITEM	*ACTION*	*PAGE*
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
CONSENT CALENDAR DISCUSSION		
BID NO. 15/11/B – SALVADOR PEREZ FITNESS EQUIPMENT; THE FITNESS SUPERSTORE	Approved	3
REQUEST FOR APPROVAL OF BUS BRIDGE SERVICES AGREEMENT – PUBLIC TRANSIT SERVICES WITHIN THE CITY OF SANTA FE; RIO METRO REGIONAL TRANSIT DISTRICT	Approved	3-4
REQUEST FOR CONCEPT APPROVAL OF SALE OF APPROXIMATELY 222 SQUARE FEET OF CITY-OWNED REAL ESTATE ADJOINING THE NORTHERN BOUNDARY OF 319 SANCHEZ STREET; CHAPARRAL, LLC.	Approved	4-5
REQUEST FOR CONCEPT APPROVAL OF SALE OF APPROXIMATELY 226 SQUARE FEET OF CITY-OWNED REAL ESTATE ADJOINING THE NORTHERN BOUNDARY OF 325 SANCHEZ STREET; DONNA CHAMISA	Approved	5
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – FALSE ALARM PROGRAM MANAGEMENT SERVICES FOR POLICE DEPARTMENT; AOT PUBLIC SAFETY CORPORATION D/B/A PUBLIC SAFETY CORPORATION (RFP #15/06/P)	Approved w/direction to staff	5-13

ITEM	ACTION	PAGE
REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FOUR (4) FORD FUSION VEHICLES AND EQUIPMENT FOR POLICE DEPARTMENT; DON CHALMERS FORD	Approved	13-14
REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – POLICE PROPERTY TAX FUND	Approved	13-14
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 11-9.1 SFCC 1987 AND SECTION 18-9 SFCC 1987 TO REQUIR5E THAT PRIOR TO AUTHORIZING A REALLOCATION OF PROCEEDS FROM A VOTER-APPROVED GENERAL OBLIGATION BOND OR TAX THAT DEVIATES MATERIALLY FROM THE INFORMATION PROVIDED TO THE ELECTORATE, THAT THE GOVERNING BODY AUTHORIZE SUCH REALLOCATION THROUGH THE ADOPTION OF AN ORDINANCE	Postponed to 03/16/15	14-17
REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE NEXT PHASE OF PROJECT PLANNING FOR THE SANTA FE: "ARTS + CREATIVITY CENTER," WHICH IS INTENDED TO PROVIDE AFFORDABLE LIFE, WORK, CREATION, PERFORMANCE AND RETAIL SPACE FOR ARTISTS AND CREATIVE BUSINESSES IN SANTA FE	Approved	17-20
REQUEST FOR APPROVAL OF AN ORDINANCE CREATING A NEW SECTION 10-11 SFCC 1987, TO PROHIBIT THE SALE OF SINGLE SERVING CONTAINERS OF ALCOHOLIC BEVERAGES, IN SIZES OF EIGHT OUNCES OR LESS, WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE	Failed to pass	21-24
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PROPOSE AN OPERATIONAL PLAN AND PROGRAMMING OPTIONS FOR THE ESTABLISHMENT OF A TEEN CENTER THAT WOULD BENEFIT THE YOUTH OF SANTA FE	Approved	25
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END OF CONSENT CALENDAR DISCUSSION		
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ITEM	ACTION	PAGE
OTHER ITEMS NOT REVIEWED BY FINANCE DEPARTMENT FOR DISCUSSION		
REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT – SERVICES AT THE SANTA FE RAILYARD; THE SANTA FE RAILYARD PARK STEWARDS	Pulled from the agenda	25
REQUEST FOR APPROVAL OF BUDGET INCREASE – RAILYARD PROJECT FUND	Pulled from the agenda	25
REQUEST FOR APPROVAL OF APPLICATION – FY 2015 SECTION 5307 URBANIZED AREA APPORTIONMENT TO CITY OF SANTA FE; DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION	Postponed to 03/16/15	25-26
REQUEST FOR APPROVAL OF BUDGET INCREASE – TRANSIT BUS OPERATION FUND	Postponed to 03/16/15	25-26
DISCUSSION		
REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT TO PROVIDE FULL FUNDING FOR FY 2014/15 ECONOMIC DEVELOPMENT PROGRAM	Approved	26-29
DISCUSSION ON BUDGET FOLLOW-UP		
BUDGET CALENDAR	Information/discussion	30
COUNCIL BUDGET DISCUSSION REVIEW – STRATEGIC PRIORITIES	Information/discussion	30
HOLD HARMLESS	Information/discussion	30-34
OTHER FINANCIAL INFORMATION	None	34
MATTERS FROM THE COMMITTEE	Information/discussion	34
ADJOURN		35

MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, March 2, 2015

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Councilor Christopher M. Rivera, Acting Chair, at approximately 5:00 p.m., on Monday, March 2, 2015, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:
Councilor Christopher M. Rivera, Acting Chair
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Ronald S. Trujillo

MEMBERS EXCUSED:
Carmichael A. Dominguez, Chair

OTHERS ATTENDING:
Oscar S. Rodriguez, Director, Finance Department
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
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 to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Mr. Rodriguez said he would like to pull #18 from the agenda altogether. He said there has been a change to Item #19 which he will cover under discussion..

MOTION: Councilor Trujillo moved, seconded by Councilor Lindell, to approve the agenda, as amended.

VOTE: The motion was approved unanimously on a voice vote.

4. APPROVAL OF CONSENT AGENDA

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

VOTE: The motion was approved unanimously on a voice vote.

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CONSENT AGENDA

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5. ***[Removed for discussion by Councilor Lindell]***

6. ***[Removed for discussion by Councilor Lindell]***

7. **REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – SOFTWARE LICENSES AND TECHNICAL SUPPORT; ROUTEMATCH SOFTWARE, INC. (KEN SMITHSON)**

8. ***[Removed for discussion by Councilor Maestas]***

9. ***[Removed for discussion by Councilor Maestas]***

10. **REQUEST FOR APPROVAL OF APPLICATION – FY 2015/16 LAW ENFORCEMENT PROTECTION FUND; NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT DIVISION. (ERIC GARCIA, POLICE CHIEF)**

11. ***[Removed for discussion by Councilor Maestas]***

12. ***[Removed for discussion by Councilor Lindell]***

13. **REQUEST FOR APPROVAL OF AGREEMENT BETWEEN OWNER AND ARCHITECT – SOUTHSIDE TRANSIT CENTER AND POLICE DEPARTMENT RENOVATIONS (RFP #15/19/P); HUITT-ZOLLERS, INC. (LeANN VALDEZ)**
    A. **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – ALARM ENFORCEMENT FUND**

14. ***[Removed for discussion by Councilor Lindell]***

15. *[Removed for discussion by Councilor Lindell]*

16. *[Removed for discussion by Councilor Maestas]*

17. *[Removed for discussion by Councilor Maestas]*

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END OF CONSENT AGENDA

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CONSENT CALENDAR DISCUSSION

5. BID NO. 15/11/B – SALVADOR PEREZ FITNESS EQUIPMENT; THE FITNESS SUPERSTORE. (ROBERT RODARTE).

Councilor Lindell asked if this the same company from which we purchased the Ft. Marcy equipment.

Mr. Rodarte said yes.

Councilor Lindell asked how has the service response been for the new equipment.

Mr. Rodarte said based on speaking with the Salvador Perez group that verified all this information as well as Ft. Marcy, there have been some been some big improvements on the service quality.

MOTION: Councilor Lindell moved, seconded by Councilor Trujillo, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

6. REQUEST FOR APPROVAL OF BUS BRIDGE SERVICES AGREEMENT – PUBLIC TRANSIT SERVICES WITHIN THE CITY OF SANTA FE; RIO METRO REGIONAL TRANSIT DISTRICT. (KEN SMITHSON)

Councilor Lindell asked if this covers the actual costs for this program.

Mr. Smithson said yes.

Councilor Lindell said the contract said it goes into perpetuity. She asked if we should have a review of it every five years, because she doubts our costs will stay the same into perpetuity. If we want to cover our costs, we should have a review every so many years.

Mr. Smith said there is a clause in the agreement that allows us to specify any increases in cost at any time.

MOTION: Councilor Lindell moved, seconded by Councilor Trujillo, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

8. REQUEST FOR CONCEPT APPROVAL OF SALE OF APPROXIMATELY 222 SQUARE FEET OF CITY-OWNED REAL ESTATE ADJOINING THE NORTHERN BOUNDARY OF 319 SANCHEZ STREET; CHAPARRAL, LLC. (MATTHEW O'REILLY AND EDWARD VIGIL)

Councilor Maestas said he believes everything is straightforward, but we did include statutory language on the sale or lease of property, and asked if this appraised for under $25,000, and asked Mr. O'Reilly to talk about the appraisal value and what process we're following in the statute to dispose of the property.

Mr. O'Reilly said, "How we've been handling these requests is we go to the Public Works and Finance Committees for conceptual approval to sell the real estate. If conceptual approval is granted for the sale or the lease, we contact the applicant and then ask them to appraise the property. The reason we do that is because an appraisal can cost a significant amount of money as can a survey, so we like to gauge the Council's feelings about selling the property first. Given that this is such a small amount of real estate, I expect it to appraise between $10 and $15 per square feet which would be well under the $25,000 limit. All that means is that an Ordinance will not be required and the sale of property will not be subject to referendum. But it still means the City Council has to approve the sale of the real estate. So in this case I expect the property to appraise for something in the range of $2,500 to $3,000."

Councilor Maestas said, "Absent a referendum which we know is not required, is there some kind of public notice where any other interested parties can put in an application to purchase. We don't do anything like that."

Mr. O'Reilly said, "Article 3-54-1 and 3-54-2 of the State Statutes dictate how a municipality can sell, exchange or lease real property. None of those things are required. There is a notice, because we notice our agendas in the newspaper and those are published and posted the way we publish all our agendas. At this time, we are basically looking at these sort of left over amendment parcels basically on a first come, first served base. In this case, this property is not of use to anyone but the adjacent lot owners. We are, in the asset development office, preparing some administrative procedures for how we handle these things coming forward, and I hope to be presenting those to you soon."

Councilor Maestas said, "I would encourage you to come up with a process, where you have such a small, unusually shaped piece of property, to declare it an uneconomic remnant and dispose of it in more of an administrative fashion instead of going through all these steps, especially when there is a clear interested party, such as this one. I wanted to make sure we're following all the procedures. So the next step is we get it appraised and then what, we bring it back to Council."

Mr. O'Reilly said the next step is the applicant gets it appraised. He said, "The City does not pay for any surveying or appraisals. And if it comes in at a price they still want to pursue, then we'll bring it back to the City Council for final approval. And if I may, the administrative procedures we're contemplating are right along the lines you suggested. So if you have these very small, uneconomic remnants or very small lease areas, we're hoping the Council will allow the City Manager or the Asset Development Director to dispose of those things until they reach a certain threshold. And then we're going to be recommending that they do come back to the Council."

Councilor Maestas asked if the proceeds of these land sales are earmarked for a certain use.

Mr. O'Reilly said, "Currently Chapter 11 of the Municipal Code, in almost all circumstances requires that proceeds from sale or lease of property go into the City's Economic Development Fund and that will be the case in both Items #8 and #9."

MOTION: Councilor Maestas moved, seconded by Councilor Trujillo, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

9. REQUEST FOR CONCEPT APPROVAL OF SALE OF APPROXIMATELY 226 SQUARE FEET OF CITY-OWNED REAL ESTATE ADJOINING THE NORTHERN BOUNDARY OF 325 SANCHEZ STREET; DONNA CHAMISA. (MATTHEW O'REILLY AND EDWARD VIGIL)

Councilor Maestas said all of his questions were answered in the previous discussion on Item #8.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

11. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – FALSE ALARM PROGRAM MANAGEMENT SERVICES FOR POLICE DEPARTMENT; AOT PUBLIC SAFETY CORPORATION D/B/A PUBLIC SAFETY CORPORATION (RFP #15/06/P). (MARIO SALBIDREZ, DEPUTY POLICE CHIEF)

Councilor Maestas said we had an audit of this program less than a year ago, and asked what recommendations have been implemented from those, noting it isn't in the packet and he doesn't recall what the audit findings were. He asked what recommendations have been applied in this contract.

Deputy Chief Salbidrez said the only thing that affected the Police Department was to implement a policy related to the duties and responsibilities of the person who is "monitoring the False Alarm on our side." He said the policy is in draft and is at the City Attorney's Office for review so we can go ahead and adopt that policy on our side. He said related to the financial side, the audit alluded to some concerns and issues, but he would have to defer to the Finance Director on that.

Councilor Maestas said, "In the future, when we have an action like this that relates to a recent audit finding, it is always good to refresh our memory on that audit to be sure we're implementing the recommendations as we go forward in some of these programs. Also, the current contract expired on February 28, 2015, are there any consequences of that – is there a problem with the lapse between the current contract and the one before us."

Deputy Chief Salbidrez said, "I discussed that with Mr. Rodarte and he said there wouldn't be an issue or concern with it. We would go through a lapse for a small period of time between now and we renew the contract, but because we are selecting the same company that was in place before, they would be okay with that. That was the discussion we had."

Councilor Maestas said it would be better to put the RFP out early, before the expiration date. He said we could have a new contractor.

Deputy Chief Salbidrez said, "This was Ms. Tafoya's first time drafting an RFP, and my first time honestly. We did receive 3 extensions and we were going to ask for a fourth extension and that's when we had the discussion with Mr. Rodarte regarding the lapse period."

Councilor Maestas said, "On Item 13, we're going to use the proceeds of the Alarm Enforcement funds. Do we have a set policy in terms of what expenditures we're allowed to make with the Alarm Enforcement Fund."

Deputy Chief Salbidrez said, "The Ordinance does not give us specific direction of where we can or can't use those funds. So yes, we opted to use some of those funds for remodeling of a building that we intend to use in the future."

Councilor Maestas said, "I think this is probably one of those parking lot issues where we probably need a written policy that outlines the allowable uses and expenditures for this fund. I think part of the funds are going to be used for the Southside Transit Center and the P.D. improvements, which is fine. We need funding from any and all sources. I think, for our purposes, it is always good to make sure that we have a really well thought-out logical policy in how we use these funds. So maybe we can put that in the parking lot and discuss this, among other funds, where we don't have policies. That's all I had Mr. Chairman."

Councilor Lindell said perhaps we would be more efficient by contracting with one collection group for all collections. She said we just did one for parking, and asked if it would be more efficient to deal with just one company.

Deputy Chief Salbidrez said they had this discussion two years ago with Legal regarding the outstanding fees for this program. He said there were discussions about contracting with a collection agency and that's what they would like to do and piggyback, but we need direction to do that. He said in speaking with Ms. Tafoya and Ms. Encinias, the City Council has not wanted hard collections in the past and wanted soft collections, and they wanted the company that was doing to the monitoring to issue the notices to these companies and to the constituents as well. He said, "So if that's the direction you would

like, I think it would please us as well, because we can remove some of these outstanding balances from our books that we haven't collected."

Councilor Lindell asked Mr. Rodriguez if he has any comment. She said we just looked at a contract for collections with Parking recently. She said, "Maybe we could try to have, instead of two contractors, maybe one contractor that we deal with that would allow us to be more efficient in every possible way."

Mr. Rodriguez said, "As Deputy Chief Salbidrez noted, we would be real happy for that. The reason they're going this direction is to be a little softer in collections. My belief always has been that if you have a fee it should be collected."

Councilor Lindell said with the budget coming up, we're looking to collect all of the fees that are owed to the City.

Mr. Rodriguez said, "With regards to this one, what about this plan. We'll explore the possibility of using the two and see where we get the best price. It would certainly be a lot easier to administer. And we'll go with this one until we decide to cancel, and we'll bring that decision back to you."

Councilor Lindell said she would like that, but she doesn't know if her colleagues have a comment on that.

Mr. Rodarte said, "Last year about this time, I did an RFP specifically for debt collection. And we were running into a situation in which the parking collections were classified differently, whether civil or criminal. The RFP went through its entire course and we selected a company. And at the direction of the Finance Director at that time, we put it to rest. There was a little bit too much confusion as to whether or not we were going to collect parking as well as the water, and all other areas of the City as well as the False Alarm Program. So, we put it to rest. I can send it out again, it's already expired. We did have a good qualified company out there that met all our criteria. But again, at the decision of the Finance Director at that time, it stopped."

Responding to Councilor Lindell, Mr. Rodriguez said, "It does seem that the policy direction or some direction they got was to go a little softer."

Councilor Lindell said this sounds like something we need to have more discussion about, and if it would be more efficient with staff time to have one contractor, whether it is in Alarms, Parking, Water Fees. She said having a contractor in every areas doesn't seem like the most efficient thing to her, commenting that she might be wrong about that.

Mr. Rodarte said, "In this particular case, we have things built into the contract on what you're looking at today, for them to continue issuing the letters and do the collections for us. But I can go back out there and send the RFP out again. But we have to sit as a City and discuss whether we want everything collected by one company. I need that direction before I move forward."

Councilor Lindell asked what constitutes success in this program in evaluating this contractor. What is the criteria of success.

Mr. Rodarte said, "I think in their particular case, when we were looking at the collection process, the Assistant Chief mentioned we had to be careful about soft collections. The Governing Body felt we shouldn't be using hard tactics for collection, especially at that level. This particular company, they're quite successful in collecting for us, to the extent that whatever we gave them, they're going to do. But, from an overall perspective, that company met the criteria as far as the services provided through its reporting processes. That's what we're looking for with this group, and I think they are pretty successful overall."

Councilor Lindell asked if we measure success by the percentage they collect.

Mr. Rodarte said, "I'm going to have to say yes on that."

Councilor Lindell asked if he feels they have been successful.

Mr. Rodarte said, "I think so. They're a good company, in comparison to the other submittals. They are far superior as far as what the City is looking for, and they're quite familiar with our operations. Again, they made all the criteria that we asked."

Councilor Maestas said he looked in the Appendix for this contract and we pay a straight 28% of what they collect, and so we put out the same RFP. Maybe we ought to be more educated on how we structure some of the debt, the oldest, not so old, the recent, and provide incentives where we give this debt collection contractor more of what they collect of the oldest debt and maybe a much lower one and a straight percentage for the more recent debt. I agree with Councilor Lindell, we probably should incentivize the contract by maybe offering them a little more when they collect the older debt. I don't know what their current collection rate is. If it's 96% then we're talking 4%, but if we're still not able to collect more than 25%, even with the debt collection contractor, then we probably need to consider some incentives for the older debt.".

Mr. Rodarte said, "That's a good way to look at it, because on the RFP that we did not move forward on the debt collection, that's how all of them proposed. The older the date – if it's over 90 days, they were asking for a higher percentage. On the smaller ones, under 30-60 days, that's where the percentage is relatively small on their part. But as it grew older, 60-90 days, they really really asked for a lot more, and it's a lot harder to collect a debt at that point."

Responding to Councilor Maestas, "I think in the case of this particular contract, the uncollectables aren't as high as they normally are in other areas of collections. I think for the better part, jumping on it right away, pretty much constitutes a good rate for us to collect."

Councilor Maestas said, given the balance we're trying to collect maybe doesn't justify incentives. However, the debt collection through the water fund, we're talking about real money and it may be worth it to consider incentives in contracting debt collection.

Mr. Rodriguez said, "In this industry, the practice is pretty well established in terms of what they pitch to us and how their services are contracted. He key here is 'soft,' and I think the staff has been trying to speak on it. The question is soft or hard collections. The debt agency which is paid a percentage of what they collect will be a lot more aggressive in doing that, and that's pretty standard. I believe what the staff was saying here is there was some direction, whether formal or not, to not get so hard in collections. I guess this is the second or third time that he's heard from the Council that we need to collect everything that we can. We'll take that as a direction and see if it's faster to do an RFP and just get somebody that will take care of it all, or see in the contractors here we can make amendments and recommendations, we'll bring them back to you directly."

Councilor Lindell said, "I'll just make one more comment on this. In the last 4 years, it looks like we have $1.25 million uncollected debt. Is that right, about."

Deputy Chief Salbidrez said that's the approximate amount.

Councilor Lindell asked if this company is the one we're currently using.

Deputy Chief Salbidrez said, "Yes, it is the same company. And again, the collection on it is dependent on what the City has told me to do. And Ms. Tafoya and Ms. Encinas are here, and they can tell you that they continuously send out letters to those who owe outstanding fees. But, if we tell them to do a harder collection we might be more successful."

Councilor Lindell said, "No. I would suggest that we need to have a conversation about how the Council would like to proceed on debt collection. To be leaving $1.25 million on the table the last 4 years is not an insignificant amount of money in comparison to what was actually collected, a very sizeable portion. In 2013-2014, they collected $342,000 and we left $352,000 out there. So we're leaving more out there than we're collecting which really doesn't make much sense to me. So maybe, Mr. Rodriguez we could have a future discussion about how to proceed with what the will of the Governing Body would be on collections."

Mr. Rodriguez said, "I would be glad to do that, and it can be raised as part of the budget, and just so that we don't make a mistake here in going forward, the direction given from you is collect hard. And we will bring that specific decision back to you once we get to the point where we can recommend a contract, or the next step to go forward. And that point you can say maybe, maybe not."

Acting Chair Rivera said, "But the Deputy Chief said you were here when we had the discussion about this initially, but what were some of the concerns about doing a hard collection, and I think it came from the Police Department as well as the Alarm Companies as well as people with home alarms. Do you recall any of that, or do you find reasons that hard collections may be difficult or unfair in certain circumstances."

Deputy Chief Salbidrez said he wasn't privy to those conversations and he would have to yield to the staff who have been involved in this since early 2009 for history on this.

Mr. Rodarte said, "I would like to comment on the collection process. The reason the figure is so high for uncollectibles, is because we're talking about soft versus hard collections, is it died over here somewhere. But to be fair to this Company, all we have them doing for us is sending out the collection notices where to mail the money. So basically what you see on the amount collected are basically the good Samaritans that paid their bill. The collection process stopped, so we looked on the table until we made a decision to what way we were going to go as a City to collect, that's why it's so high."

Acting Chair Rivera asked Deputy Chief Salbidrez if they have a breakdown on how many of these are vacant homes, how many belong to the bank, how many are elderly or where a pet sets off the alarm instead of the individual. He said this is some of the discussion we had previously regarding soft and hard collections.

Deputy Chief Salbidrez said the largest debt isn't from the homeowners, it's more from the alarm companies that owe the most, the companies that go out and install, if I'm not mistaken. The numbers I reviewed, the outstanding for homeowners is minimal compared to the companies because they didn't follow the rules in the Ordinance. They kept getting "fee after fee" imposed on them. He asked Ms. Encinias to talk about that.

Dorothy Encinias, Police Department, said, "The majority, like Deputy Chief Salbidrez said, the majority of the outstanding monies are from the alarm companies. They are assessed a daily fee if they do not submit a monthly submission of their current customers or customers who have left the company. They are to submit that every month by the end of the month, and when they don't, they are assessed a daily fee. And some of those who refuse to do it or refused to do it in the past, accrued these large amounts really really quickly. There are some where we don't know whether the homes are vacant and there is no way to tell. We don't have anybody that goes out in the field to check these homes, or if they are a problem home. Usually, I'll deal with the alarm company if I can't contact a homeowner. And that's usually how I take care of that."

Councilor Maestas said Councilor Lindell's question is how we evaluate the contractor, and we just talked about the amount of uncollected debt, but this contractor got this contract again. So we may have to revisit how we evaluate the performance of this kind of contractor.

Acting Chair Rivera asked if someone would like to make a motion, summarizing everything we talked about and giving directing staff to look further into collections, and maybe get a little harder with collections instead of the soft collection system we have now.

Councilor Maestas said there are different kinds of debt, and he would tend to be tougher on fees for home alarms, versus outstanding water bills, noting the City wrote-off millions in uncollected debt. He said many cities do that, because it is part of the reality. He said he probably would take a different tack in collecting utility bills because of the population we are dealing with. He doesn't share the same philosophy in terms of let's get tough across the Board. He is willing to get tougher with the home alarm companies.

Councilor Lindell said then there were only two responses to the RFP, and Mr. Rodarte said yes.

Councilor Lindell asked if we can resubmit and put out another RFP on this, postpone the decision on this. She said, "I can't support this right now, because I think that, even though direction was don't collect, this contractor didn't collect, didn't do very well with it. And our audit findings with were really not very positive. Even in light of that it may have been the direction of the Governing Body to not pursue this. I think we need to have that discussion, whether it is utilities, alarm companies, we need to form some policy on that. Until we do that, I would rather hold off on letting this contract.

MOTION: Councilor Lindell moved that we do not approve this request, and that we clarify our policy on collections."

DISCUSSION PRIOR TO SECOND

Acting Chair Rivera asked, "Is there is a down side to not approving this. The contract ended in February. What would happened at this point."

Mr. Rodarte said, "If we cancel it today and start again, I would have to get back with this company that is existing and do a short term contract with them so we can continue the process we currently have in place. From the competitive standpoint, this is about all we're going to get out there I think. We really sent this thing out everywhere. I think if we move this forward with a careful analysis monthly, like the advertising contract....this company has in place the ability to collect for us. And we already know the criteria we want as far as soft collecting, that's what this will be under. Why don't we let them, because they already have companies in place that do it for them nationwide. Why don't we let them collect for us on this during the process of making our decision as to how we want to collect City-wide. Let's let them do it now, moving forward, and see how we're doing. And we'll still have the option to cut them off as we turn the corner in the next 11 months, rather than to start again. I think if we start again, we're going to come right back to the same situation with only 1 or 2 submittals."

Mr. Rodriguez said, "Unless your direction is to cancel the RFP and do a different RFP that says be a lot more aggressive than sending them a notice that they owe the City. So we could do an RFP that does all of that, and in the interim have a contract with the company that is in place now."

Councilor Trujillo said, "Robert, what you're telling me is that you sent out the RFP and this is the best we're going to get. You sent it out nationwide."

Mr. Rodarte said, "We sent it nationwide everywhere."

Councilor Trujillo said, "And this is all we got."

Mr. Rodarte said it was published locally on our website which is reach out real far right now, with a lot of companies signing up. We have a lot of marketing groups that search for this type of information and they submit to other companies."

Councilor Trujillo asked the length of the contract.

Mr. Rodarte said it is renewable annually for up to four years.

Councilor Trujillo said, "I think I'm inclined to approve this, but like you said with advertising, we need to put these companies on notice that this is the way it has to be. Like Councilor Lindell said, $1 million not collected, that's unacceptable I think. They're not doing their job."

Teresita Garcia said, "There needs to be a clarification. There was an internal audit done on the False Alarm Program. And if I remember correctly, one of the issues was the way the Ordinance is written and they made some recommendations. The fees were on a daily basis instead of a flat fee. The Internal Auditor recommended that we restructure the fees to make it more collectible. There was some fault in the Ordinance that they are charging the alarm company a per day fee, and they were being charged $10 per day every day they were delinquent. So one of the audit findings was that we take a look at the Ordinance and clarify the fee structures so that it becomes more collectible instead of noncollectible. So there is some fault in the way we prepared the fee structure in the original Ordinance, and that's why you see a high uncollectible. I would look at what the auditor is recommending and see if we can fix it at that point, and saying what the fees are and how much of that was based on excessive penalty rather than just on the fee."

Acting Chair Rivera said, "If any of these come up where we had a recent audit, then that information should come forward at the same time with any new agreements that may be coming forward to this body, and that may help clear up some of the issues. With regard to the faults in the Ordinance, Teresita, if you could get with Melissa and clarify some of those faults in the Ordinance and then I will sponsor those changes so we can get those clarified. And then it sounds like we can move on as well."

THE MOTION DIED FOR LACK OF A SECOND.

MOTION: Councilor Trujillo moved, seconded by Councilor Maestas, to approve this request, with direction to staff that, prior to expiration of this contract, to provide information to this Committee on how much this company has collected.

DISCUSSION: Mr. Rodarte asked, regarding Councilor Trujillo's direction, "Do you recommend we go ahead and let this company do the collection process on this program, because we can make that amendment to the contract. And if you could put that into your motion, I could go ahead and work on that adjustment."

Mr. Rodriguez said, "To be real clear, the idea is, when you go to contract, to change that language to say harder collection rather than just sending a letter.

Acting Chair Rivera said, "I think we have to change the Ordinance before we can do that with the collections."

Mr. Rodarte said, "The Ordinance had some parking and other collections, but this is a normal collection process, but the Ordinance itself is for false alarms. We can add this into the contract so they can start immediately on the collections."

Acting Chair Rivera said, "The Ordinance had the fee structure in it. Is that correct."

Ms. Garcia said yes.

Acting Chair Rivera said, "Unless we change the Ordinance, the company may be charging the same fees they have been which seem to be contrary to the audit finding, so I think we need to change the Ordinance before we can be aggressive with the fees, is my sense."

Mr. Rodriguez said we'll take it as far as the Ordinance will allow, and if it turns out we have to come back right away to change the Ordinance. "I'll bring that, and you said you'll sponsor it. I want you to understand, we got your direction."

Councilor Maestas said, "I'm just a little upset that this recommendation from the audit fell through the cracks. And I don't know what kind of process we have, but maybe in the future when we have an internal audit and recommendations are made that part of those recommendations isn ordinance amendment. I don't know who is supposed to take those recommendations and implement them. There's a reason why we have internal audits. And one of the reasons is for accountability and the other is for improving our performance, managing our performance and process. This is direction to the City Manager that I think he needs to come back to us and convince us that there is a process in place to implement the recommendations from these internal audits."

VOTE: The motion was approved on a voice vote, with Councilor Maestas and Councilor Trujillo voting in favor of the motion and Councilor Lindell voting against.

12. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FOUR (4) FORD FUSION VEHICLES AND EQUIPMENT FOR POLICE DEPARTMENT; DON CHALMERS FORD. (MARIO SALBIDREZ, DEPUTY POLICE CHIEF)

A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – POLICE PROPERTY TAX FUND

Councilor Lindell asked how long is the test period and what are the criteria we're looking for.

Captain Andrew Padilla said it will be the fuel efficiency of the hybrid vehicles as compared to the non-hybrid. He said the 4 vehicles will be assigned to administrative personnel, Lieutenants and above and a handful of detectives. He said they want to look at the fuel and maintenance costs, and if these smaller non-Police rated vehicles can handle the day to day grind of a police vehicle. They are hoping after 6 months they can make a final determination and see what route to pursue. He will be reporting back to the Committee.

MOTION: Councilor Lindell moved, seconded by Councilor Trujillo, to approve this request.

DISCUSSION: Councilor Trujillo asked about buying locally, and asked the reason there are no bids by local businesses for these contracts.

Mr. Rodarte said the smaller dealerships like those in Santa Fe get the same bidding incentive dollars if they choose to bid. But for them to tie up $1 million on vehicles isn't worth it. He said the local companies will make money on the warranties and all of the parts. He said, especially with police vehicles, we buy genuine, so all of the purchases and maintenance are locally, that's where our local dealerships prosper.

Councilor Trujillo said he understands and remembers the conversation. He said he wanted to keep the GRTs in Santa Fe.

Councilor Maestas asked if this purchase is consistent with the fleet replacement policy.

Captain Padilla said it is not in the policy, but this will give the guideline on the carbon footprint. He said administrative personnel or detectives don't have to be in a police rated vehicle. So these aren't going to be in the fleet replacement policy, but this will be our test to see which of the two vehicles will be the best fit for the department for the administrative and investigation sides. He said in 6 months they will come back and inform the Committee of the results, and then it will be in line with the fleet replacement and how they want to move forward.

Councilor Maestas said this Committee would like to see the policy refined as we go forward. He said the fleet replacement line item has been fluctuating a lot over the past few years which isn't good for good budget management. He said we may have to identify a reserve fund for vehicles and stabilize the budget.

Captain Padilla said they have seen and understand the fluctuation. He said with this purchase, they are trying to build for the future for the annexation and have these vehicles in the fleet which are 100% reliable.

Councilor Trujillo said then we're going to buy the sedan and two of the hybrids, and asked the test period, and Captain Padilla said it is 6 months.

Councilor Trujillo said he doubts they will break down in 6 months.

Captain Padilla said the major concern during the evaluation period will be the fuel economy and to see if they can handle the day to day wear and use as a semi Police rated vehicle, and Councilor Trujillo said he looks forward to seeing the results.

VOTE: The motion was approved unanimously on a voice vote.

14. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 11-9.1 SFCC 1987 AND SECTION 18-9 SFCC 1987 TO REQUIR5E THAT PRIOR TO AUTHORIZING A REALLOCATION OF PROCEEDS FROM A VOTER-APPROVED GENERAL OBLIGATION BOND OR TAX THAT DEVIATES MATERIALLY FROM THE INFORMATION PROVIDED TO THE ELECTORATE, THAT THE GOVERNING BODY AUTHORIZE SUCH REALLOCATION THROUGH THE ADOPTION OF AN ORDINANCE (Finance Committee) (Teresita Garcia) Committee Review: Public Works Committee (approved) 02/23/15; City Council (request to publish notice of public hearing) 03/11/15; and City Council (public hearing) 04/08/15. Fiscal Impact – No.

Councilor Lindell said she is curious about the procedure and the process, and why this is presented to us the way it is.

Kelley Brennan, City Attorney, said, "I actually was not here when this was introduced. I signed it because it can be done. I don't see a legal obstacle. I'm not sure what the reason was, and I think it creates an unnecessary sort of administrative burden. The language was amended relatively recently to provide for a public hearing which is posted, advertised and so forth. What this would require is an Ordinance, because every time there was a reallocation that is material that deviated from what was approved in the description of the project, it would have to be approved by ordinance. And that wouldn't fit into the Ordinance book. It would be sort of like rezonings that would be set aside in a separate folder. There would be a request for advertising. It would also take a period of time because the process would be through committees, a request to advertise, then there would be a public hearing, then there would be an adoption, and then it would go in a book of its own. I'm not sure what is gained by this, except time and money, because we would be paying for the advertisement and so forth."

Councilor Lindell said if we want to have public hearings and discussions about it, that's one thing, but through the adoption of an ordinance.... she is unsure this is the right way to accomplish this.

Ms. Brennan said she assumes it came out of a discussion at the Finance Committee, reiterating she wasn't there and she understands the desire to have it heard. She said, "I think that to the extent that there is a desire to have it heard and publicly advertised, that can be covered. There can be a press release, for instance if we're doing that. I do think this imposes sort of a process that may be unnecessary, but as I say, I signed it. I don't see that there's a legal obstacle to it."

Councilor Lindell said she understands and appreciates that. She said she is sure "deviates materially" is a legal term.

Ms. Brennan said, "I think that I may have suggested that language when it did come to me. I've also done a lot of construction and development work, and 'materially deviates' is something of a term of art, I wouldn't say it goes that far. But I think that people involved in the industry that work regularly on construction – I see Ike has sneaked up behind me and he probably can add to this – typically they know what that means, but it's not absolutely arbitrary. So it can mean 10% of a fund of reallocation. You would say when you get to 10% you typically are getting to a material change. So that might be a material deviation in an allocation of funds. Or allocating funds for a completely different purpose might be a similar material deviation, but maybe Ike can add to that."

Isaac Pino, Public Works Director, said, "I just wanted to use an example. In the 2012 Parks Bond, a project for Ragle Park was approved. It included the construction of a skate park. Since that time, it has been decided that the skate park might be a better fit down at the GCCC. So what we're going to do is recommend moving the money from Ragle down to GCCC and bring in money from this pot that was left over, and bring money from Franklin Miles that was left over, all for the purpose of doing a skate park. So the location of the funding is materially deviating, the purpose of the money is still for skate park as originally allocated. It creates a lot of confusion. It seems to me that you can accomplish the same thing just by requiring that they have Council approval but not an ordinance."

Mr. Pino continued, "Let's say we play that whole skate park scenario out and we have $100,000 left to move someplace else for some other purpose, and this has been adopted, then there will have to be another ordinance adopted for that purpose. When what we normally have to do is maybe an ENN meeting and have the public hearing which currently is required, and then get Council approval, and not move forward until there is a Council approval, but not by ordinance. These projects aren't selected by ordinance in the first place."

Councilor Lindell said the remarks between Ms. Brennan and Mr. Pino clarifies her concerns with this request. She said requiring adoption of an ordinance for this change, "I think that's taking this for me, a little bit too far. I think Council approval would be reasonable."

Councilor Maestas asked how many reallocations do we have from the typical G.O. Bond.

Mr. Pino said in the results of the Parks Bond Audit for 2008, there were 50-60 of them. There were major reallocations, where large sums were approved by the Council to be moved from one project to another, but there were a number of internal reallocations that one might want to argue are material or not material. He said, "I think that just by requiring Council approval will pretty much accomplish the same thing because we can't move forward with any other reallocation without coming back to that same Council for approval. And it requires us to go to POSAC anyway, since it is a Parks Bond, that is. It could be some other type of bond that would require that kind of Committee review."

Responding to Councilor Maestas, Mr. Pino said, "We recently did that with the West Alameda underpass at St. Francis Drive. We re-reallocated close to $2 million to about 7 different projects. And there are trail related projects, but they're not the same thing as an underpass, creating a material deviation it would seem to me. That could result in 7 ordinances, or 1 ordinance for 7 projects, but it would still require an ordinance.

Councilor Maestas said he supports the spirit behind this to be transparent to the public, especially when we encourage to take the time to study the issues and vote. He said there were some "nastygrams" in the newspapers when we did that about the City making these changes. He tends to agree with Councilor Lindell that, given the incidence of reallocation, this could be an arduous process. If we can define specific circumstances under which we define 'material deviation.' He asked Mr. Pino to come up with situations where we should disclose to the public the reasons for making a decision contrary to the originally voter approved bond measure, he could support that. He thinks 'material deviation' can be anything, and it's wide open for interpretation.

Councilor Maestas suggested we postpone action on this item until the sponsor is here.

Mr. Rodriguez said the normal course of business, if we are going to make a budget adjustment from one project to another, is the BAR comes to the Council for approval, so you get a vote on that. He said the direction we received here, that it needs to be an Ordinance change. He said from the staff side, there would be no heartburn if this wasn't approved, and we went back to the original process.

Councilor Trujillo said he understands the need for transparency, but he thinks we can get that same transparency by holding a public hearing where people can speak if they have objections, or if they are in support of it.

Ms. Brennan said, "I think so yes. The current Ordinance requires that material deviations on voter approved general obligation bond items to be voted upon by the Governing Body after the public hearing. So Governing Body approval is required after a public hearing. It does seem if you want enhanced notice we could think about ways to do that, too, not by Ordinance necessarily. But we could make it a matter of practice to have a press release or to notify neighborhood associations or something like that."

Councilor Trujillo said something we should do is to provide an opportunity to the public to comment on the proposed reallocation at a public hearing. However, to have to do an ordinance every time is taking time from something else that needs to be done.

Chair Rivera recommended that we postpone this item to allow the sponsor to weigh-in on this to give insight as to the reason he approached it this way, and then we can vote on it at that time.

MOTION: Councilor Rivera moved, seconded by Councilor Maestas, moved to postpone this item to the next meeting of the Committee on March 16, 2015.

VOTE: The motion was approved unanimously on a voice vote.

15. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE NEXT PHASE OF PROJECT PLANNING FOR THE SANTA FE: "ARTS + CREATIVITY CENTER," WHICH IS INTENDED TO PROVIDE AFFORDABLE LIFE, WORK, CREATION, PERFORMANCE AND RETAIL SPACE FOR ARTISTS AND CREATIVE BUSINESSES IN SANTA FE (COUNCILOR RIVERA). (ALEXANDRA LADD). Committee Review: Public Works Committee (scheduled) 03/09/15; City Business & Quality of Life Committee (scheduled) 03/11/15; and City Council (scheduled) 03/11/15. Fiscal Impact – No.

Councilor Lindell said her concern is that this comes to us as small pieces and that we do not see an overall project. She said it appears this builds on previous resolution. She said what jumps out at her is the language on page 2, line 11 of the Resolution: "*Develop criteria for a municipal land donation and...*" on line 17, "*Bring forward for consideration by the Governing Body a municipal land donation proposal of a city-owned site...*"

Councilor Lindell said she would like information on this saying, "I think it's the best known secret in town of what site we're talking about, and I would like to have more transparent information about this. I'm not opposed to this, I would just like to see it more in its entirety than just one little piece at a time."

Ms. Ladd said, "This is a revised version of the Resolution. The project has been in the works now for well over a year and there's been lots of discussion around it. But really..... the first Resolution did mention a site, and there was a little discomfort around that because there is a bit of legwork that has to be

done before the City could do the donation. Staff from the other departments that would be involved in the process wanted a chance to review it a little bit more thoroughly, so we made this Resolution more of a process document so we are looking at all the things that need to be done, regardless of whether the project goes forward, or which site is chosen. The idea being we'll get this work done in this order so we're ready to move forward. The part in process now, is the site selection report has been turned in by the contractor for the project, and we are in the process of setting up a meeting with the different departments to review that, which is a step in the Resolution I guess, or moving ahead with that."

Councilor Lindell said she realizes it is a process which makes sense to her, reiterating that she isn't opposed. She said, "I don't know what I'm really being asked for. I don't know if we're talking how much land, it's not very specific. That's just my request that we would have more specific information, but if then is just process... it is process but it is very specific to this project."

Ms. Ladd said, "I think that's right. There would be a whole other process for the recommendation of the donation of the specific site, which the Council, obviously would weigh-in on and approve. We just wanted to make sure that the language in this Resolution wasn't committing the City to a course of action that may turn out not to be the right course of action specifically. So we backed up and broadened it and also made the process steps more specific. I don't know if Councilor Rivera wants to make comments since it was his Resolution."

Acting Chair Rivera said, "Councilor Lindell and I spoke on this before the meeting, and I think you just clarified exactly what I told her."

Councilor Trujillo said, "I have no problem with the project. Being that we have Siler Road and we have a lot of property there, one of the things that has been in discussion is the homeless shelter. And I'm not saying it's moving, but who's to say in the future that it may not move, and we have that piece of property on Siler Road. Say it did move, and we decided we were going to put it on Siler Road somewhere on that piece of property. Your project has already been approved and you have tenants living there, I guess my concern is if we are going to have people living there opposing us putting the homeless shelter there. This is just a question I'm asking, because it may come up, I'm not saying it will, but there's a possibility, so can you speak towards that. There's a lot of property out there."

Daniel Werwath said,,"Certainly, I think when we speak about a particular site on Siler Road in general, there is certainly is a lot of planning work that will maybe go on I think, in conjunction with any development there. It would help make sure that whatever we did there, if that was the course that was chosen, does not limit the City's usefulness of the existing assets and future uses there. Having been involved in lots of conversations about affordable housing over the years, you're going to get complaints about moving that homeless shelter no matter where you put it. So I'd start bracing for that now."

Mr. Werwath continued, "I think our perspective, particularly around any potential development on Siler Road that it would hopefully be part of larger neighborhood level strategies, particularly finishing some of the planning work that was started years ago on that parcel and never completed. The one thing I would add to Councilor Lindell's comments, is we are also just finishing a draft of the site selection report that currently is being reviewed by senior staff in different departments, and we're working quickly to get

the comments back and integrated into a final report, so before you vote on this you will have a final version of that report which I think will cover most of your concerns, in terms of analysis we've undertaken. The need for the project is a very critical path and timeline toward completion of the project and some other things. We hope this can serve as an ongoing model for the City when you look at potentially donating resources to tax credit projects. That brings in $8-$10 million of funding into the community every time you can do that, and municipal contribution in projects really helps scoring. And that's something the City could hopefully develop into a *[inaudible]* process, so we could see this happening every 1-2 years."

Councilor Maestas said Mr. Werwath is saying is we're cash poor and land rich, and thanked him for his remarks. He said Creative Santa Fe is a great organization and is really a catalyst in the community and they want to help our City redevelop and grow. He supports the effort and the concept, and agrees the City needs to have skin in the game to be successful, and it is a land donation. He said that said, I think you saw earlier what big deal disposal of public land is, even if it's considered an uneconomic remnant. He said we aren't going to pre-select a site right now, and it's not up to the stakeholders bringing this proposal forward. If there is any undeveloped land being considered, the City needs to take the lead and do an appropriate analysis and determine what we want to do with it and what is in the best interest of the City. He said he sees great benefit of Mr. O'Reilly being in charge of asset management, but part and parcel of that responsibility is doing an inventory of all our asset. We need to make a policy decision as to what we want to do with these assets especially if it is vacant land. He asked Mr. O'Reilly his thoughts in this regard.

Mr. O'Reilly said, "That is my plan. You just articulated it exactly – what needs to happen, what should happen. It would be helpful to have that kind of plan in place which is something the City has never had – a good inventory of what it owns, the development potential of the parcels, if they truly are uneconomic remnants as you described them or if they are fully developed parcel and buildings. And in looking at those things, the Council needs to decide what is its goals and priorities. That is a big process. You and I were in a meeting where we were presented some options by Ameresco, and what they might do to catalogue some of our assets and more importantly analyze our assets. And I think those are all very important things that we have to do. But then there are projects that are happening that are being proposed right now. And you're right, we may be in a position now where we have to be, in this particular case, a little more reactive than proactive if we want to see a project like this happen sometime soon. Those are question and policy decisions that youall are going to have to make. But the general outline of what you suggested is exactly what my office is working on now. Creating the data bases. Creating an idea of exactly what we have and then making some recommendations to the Governing Body about how we should proceed and how we should make decisions about what we have."

Mr. O'Reilly continued saying studies and initiatives have been done that we should combine all City services into one building at one location. There would be all kinds of sustainability, energy efficiency, transportation, convenience for our constituents if we were to do that. He said that originally was planned for the Siler Road area and, "in my opinion that could still happen." He said this project could also happen, both could happen there if there's enough land to make that happen. He hopes to be presenting data to this Committee about what land the City owns."

Mr. O'Reilly continued, "If we're truly interested in moving forward in a sustainable way, we have to have those policies and get that direction from the Governing Body before we make decisions about what we're going to give away, because there isn't much vacant land available. And when we give it away it's gone."

Councilor Maestas said he hopes at another time we can have a workshop on assets, and that Mr. O'Reilly and Ms. Noble can inventory all the assets and decide how we can best use this vacant land. He said Mr. O'Reilly's position holds great promise for managing our public assets as well as working and stimulating our economy.

Mr. O'Reilly said we have all kinds of assets at the City, and the City has real property assets. He said the City spent money to buy Siler and other parcels that have never been used. He said it is important that we not make decisions based on one particular project, because the City has many goals. One goal could be simply to raise revenue which is a big deal right now, as well as homeless shelters could be important to the City along with teen centers and such.

Mr. O'Reilly continued, "I try and look at our real estate assets as if they are privately held assets and I was deciding what's the highest and best use. What's the best way for me to use these things, with the difference being that the Council and the City sometimes, a lot of times, provide services that don't pay for themselves and aren't money makers. And when we decide whether a piece of real estate is going to make us money through a lease or sale or whether it's not going to make us money or it is going to lose money, those are questions for the Governing Body based on where we want to be as a City. I look forward to working with you to figure those things out to the extent that you would like my advice, but ultimately it's the Governing Body's decision as to how we want to use the resources that we have."

Acting Chair Rivera thanked Ms. Ladd, Ms. Noble and Mr. Werwath for their work on this and for taking a step back and looking at this is in a systematic approach. He appreciates Councilor Lindell's approach as well which was the initial approach, but thinks we have to slow down and make this a little easier for all the Councilors.

Acting Chair Rivera said the language on page 1, line 21 is confusing, "... *conduct a sites analysis to identify and building sites deemed the most compatible...*" It sounds a little odd to him, and asked staff to clear up that language before this goes to the Council.

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

16. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING A NEW SECTION 10-11 SFCC 1987, TO PROHIBIT THE SALE OF SINGLE SERVING CONTAINERS OF ALCOHOLIC BEVERAGES, IN SIZES OF EIGHT OUNCES OR LESS, WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE (COUNCILORS LINDELL, DIMAS, DOMINGUEZ, IVES AND BUSHEE). (ALFRED WALKER) Committee Review: Public Works Committee (public hearing) (approved) 02/23/15; Public Utilities Committee (scheduled) 03/04/15; City Council (request to publish notice of public hearing) 03/11/15; and City Council (public hearing) 04/08/15. Fiscal Impact – No.

Councilor Maestas asked the problem we are trying to resolve with this Ordinance. He said it is a solid waste problem and he has asked staff what portion these bottles are of the waste stream we find on the streets.

Mr. Walker said, "I'm not aware of any studies on the percentage of litter that are these miniature liquor bottles. It's pretty clear they're all over the place. I see them outside of City Hall from time to time, certainly around convenience stores, liquor stores, places like that. There was a public hearing at Public Works last week. The gentleman from the Santa Fe Watershed Association came and talked about the problem it is for the watershed in the waterways. This is, as far as I can tell, a significant litter problem. It's not the only litter problem obviously. The City has addressed the issue of plastic grocery bags that's one part of the litter problem. This is another part of the litter problem. There may well be other parts of the litter problem that should be addressed as well."

Councilor Maestas asked if there is data on how the litter waste stream has changed – are there less miniature bottles, are they the same, is there any kind of data.

Mr. Walker reiterated that there is no data on it, no studies were done before or afterward, noting he has heard anecdotal testimony or statements that the litter problem has alleviated to some extent. He said when it was part of the Southwest Area Overlay, people brought in pictures of the litter. That was one of the issues that was raised with many others, noting that was a comprehensive overlay, and this is one of the items that was addressed. He said when the retailers were presented with this Ordinance, at the time the Ordinance was going into effect, he was surprised at the generally good reception they got from the retailers. He said one of the Allsup's managers thought the entire ordinance was great and didn't have any problem with the Litter Ordinance at that time.

Mr. Walker said language on page, 2, lines 12 and 13, excludes packages of 4 of more. He said, "Even if we were to adopt this today, it really wouldn't eliminate litter of these miniature bottles as long as they can continue purchasing them in packages."

Mr. Walker said, "The theory behind the 4 or more is that people who purchase in packages are likely to take the packages home to consume them. What appears to be the problem is people buy the individual containers and they go outside, drink them, throw them on the ground. And so the theory behind it is in packages of 4 or more, it actually turns out... and it says and we put this in the Airport Road Ordinance. It says, '*In packages of 4 or more as delivered by the distributor...*' because we didn't want retailers just wrapping them up in tape an selling them. It turns out, what we didn't know at the time, that

the packages they come in are actually packages of 10 and the retailers break them apart and sell them individually. It they want to sell a package of 10, again the idea is they're likely to be taken home and consumed and thrown away in the trash and not thrown out on the street."

Councilor Maestas said there has been one public hearing in Public Works and he didn't attend, and hasn't seen the transcript for that. However, he has seen a lot of petitions, many of which are against the Ordinance. He sees this in a totally different context than in an overlay district and that was part of a greater goal. He doesn't know if that goal has been accomplished. He thinks these two are apples and oranges. He doesn't see any data in terms of the benefits of the prohibition in the Airport District, not does he see a compelling problem we're addressing.

Councilor Maestas continued, "What I see is we're just kind of unilaterally saying this is good for the entire City without a sound basis, at least as far as I can tell. And I realize this could go on to Council, and we'll have an appropriate public hearing and I'm going to listen intently. But at this point, I'm unconvinced that there is a compelling, specific well defined problem that this ban is going to address. If we think about the large retailers like Walgreens or CVS, they purchase liquor in large volumes, large quantities and pass those savings along. But when you think about the small 'Mom and Pop' liquor stores, they aren't open 8 to 5, that's their livelihood and they're hanging on a string because of the larger retailers and big boxes that come to town."

Councilor Maestas continued, "And I will state for the record that my family used to be in this business. We haven't been serving commercial liquor since 2006, so I want to state that for the record."

Councilor Maestas continued saying he sees this as anti-business and government over-reach, and an effort that hasn't been justified by the problem. He said he can't support it. He said, "We are going to take action to interfere with what is a fair market economy, and interfering with the supply when there's a demand. And without a compelling reason to reduce or eliminate the supply, it's hard for me to really grasp that. So, I commend the sponsors and cosponsors of this. But I think frankly, after one year of being in office, the public expects us to take on the bigger issues of the day. I would shudder to think what people think of this Governing Body after a year. And if they see us kind of debating and spending a lot of time and resources on these, not unimportant, but more peripheral issues than the real problems facing our City – the financial management and foundation, and being able to meet the needs in an environment where our residents are going down. I just think it's time for us to start tackling the bigger issues of the day. Mr. Chair, at this point, I can't support this."

Councilor Trujillo said he spoke in opposition to this at Public Works and offered the comment that, "it's a littler problem, but it's not the only litter problem." He said looking at this as a litter issue is a problem. He said we can use chewing gum, and dog poop and such. He said a question brought up at Public Works was the issue of hotel wet bars, because hotels are still selling single serving bottles. He said, "If there is an attempt to allow hotels to be exempt on this, that would be totally wrong – it's okay for tourists and not okay for locals. He hopes that doesn't start."

Councilor Trujillo continued, saying he was reluctant at the time to not support the overlay district set up previously, but when he looked at the overlay the businesses included Walgreens, Allsups, which technically are big businesses. These businesses sell other items beside liquor, so the impact on them won't be tough. However, City-wide there are the mom and pop businesses which strictly sell alcohol and miniatures are a part of their business so this will affect them.

Councilor Trujillo said Albuquerque tried this in 2008.

Mr. Walker said, "There was a case in Albuquerque. Albuquerque's Ordinance, actually several ordinances, weren't litter ordinances. They were very different from his particular Ordinance. And a District Court Judge enjoined enforcement of those Ordinances, but again they weren't directed to the litter issue. The decision was not appealed. I've read that opinion, and I think it's a completely different issue."

Councilor Trujillo said, "The reason I bring this up, is if it passes, I see the City of Santa Fe getting into a lawsuit, and is the City willing to take this Ordinance to the next level to defend this. Councilor Maestas said, and I said last week, there are more pressing issues in this community than plastic bottles and plastic bags. So that's my concern, going into a lawsuit, and I don't know how much it is going to cost. I stand in opposition to this. As I stated before, it's not a priority on my radar, so I'm just going to leave it at that, Mr. Chair."

Councilor Lindell asked Ms. Brennan if she has something to add.

Ms. Brennan said, "I would say that a lawsuit may be filed. I think it's a lawsuit we would defend in-house and could do easily, just as a matter of record."

Councilor Trujillo said, "We're talking litter. And I guess that's my question, if this definitely is a litter problem, we need to look at where we're seeing all this litter and possibly put out more trash bins, more recyclables. To me, that would take care of the litter problem. I think it behooves the City to put out more trash bins and more recycling bins out there."

Councilor Maestas said, "I'll be brief. We've been talking about how we're already fiscally strained in terms of coming up with adequate resources to enforce the current laws on the book. I think the jury is still out as to whether we can provide adequate public safety to the newly-annexed areas. Certainly we know we're not providing adequate animal control services, because of the crisis we were faced with several months ago. So we're creating an unfunded mandate on ourselves to create additional demands on our enforcement capabilities. I can just see the City caricature, well, how are we going to fill this position, who is going to enforce this and what is going to be the title of that position. I don't want us to get too ridiculous as a City, especially when we are a City that has a great many needs. I'm concerned we're creating a demand, an unfunded mandate that's going to constrain us in terms of enforcing this. I think we need to think about that as well, Mr. Chairman. That's all I have."

Councilor Lindell said, "Thank you Mr. Chair. I do stand in support of this. I"m one of the sponsors of this, and I'm sorry that my fellow Councilors don't think that this is important. I think everybody that lives in this City has the right and that we deserve a clean and safe community. It certainly has been brought to

everyone's attention, the litter that these create, where that litter is found and that these items are consumed and then thrown around the location where they were purchased or thrown out of a vehicle. There are certain areas that have a huge amount of this trash. Another thing that was brought to my attention today is that these do fit through the drainage grates of the City so eventually, whatever number of them can float downstream with enough water they do end up in the River. And I think that's one of the reasons that I've heard from the Watershed people and certain of the Sierra Club and a group of citizens that do go about the task of cleaning out the Santa Fe River."

Councilor Lindell continued, "I also think the Ordinance on Airport Road has been deemed by many to be very successful, and I would say that for people that don't think this is a problem, certainly a number of people who have contacted me that live anywhere near some places these are dispensed find it to be a very sizeable problem. And so, with that, I will move for approval to move this forward."

MOTION: Councilor Lindell moved, seconded by Councilor Rivera for purposes of discussion, to approve this request

DISCUSSION: Councilor Maestas said, "Councilor Lindell, you mentioned safety, to create a safer community. The context of this debate has been solely, I think a solid waste subject. And so if we're going to bring public safety into this, I really think that broadens the scope and intent of this legislation. I've been strictly approaching this from a solid waste standpoint."

Councilor Lindell said, "With all due respect, Councilor Maestas, it is based on a clean City, but I did also hear you not approach it from the standpoint of litter. I also heard you approach it from the standpoint of economic development."

Councilor Maestas said, "I wasn't sure. The primary reason has been to maybe take a certain portion of our solid waste stream out of the mix. Again, that's why I'm unconvinced. Again, if there is a safety component to this, I want to know about it and I want to know how banning these miniatures is going to improve our safety. I don't know the connection between people drinking these miniatures and getting arrested for DWI. I don't think we'll ever create any kind of correlation. Our DWI arrests have gone down. They were 416 in 2013, 422 in 2014, and crashes have gone down. In 2013 there were 74, and in 2014 there were 72. I just want to make sure if there is some bold other reason, some ulterior motive in addition to solid waste, then we should just put it out there. But if it's solid waste, it's just not enough to convince me to support it."

VOTE: The motion failed for lack of attaining a majority vote, on the following Roll Call vote:

For: Councilor Lindell and Councilor Rivera.

Against: Councilor Maestas and Councilor Trujillo.

Acting Chair Rivera said this did pass Public Works, so it will make it to the Council, so we will have this discussion with the entire Governing Body.

17. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PROPOSE AN OPERATIONAL PLAN AND PROGRAMMING OPTIONS FOR THE ESTABLISHMENT OF A TEEN CENTER THAT WOULD BENEFIT THE YOUTH OF SANTA FE. (COUNCILORS DOMINGUEZ, RIVERA, DIMAS, IVES AND BUSHEE). (TERI RODRIGUEZ AND CHRIS SANCHEZ) Committee Review: Public Works Committee (approved) 02/23/15; Mayor'S Youth Advisory Board (scheduled) 03/05/15; City Council (request to publish notice of public hearing) 03/11/15; and City Council (public hearing) 04/08/15. Fiscal Impact – Yes.**

Acting Chair Rivera said it is his understanding that Councilor Dominguez wanted to postpone Item 17, so he could be here for the discussion.

Mr. Rodriguez said that is correct.

Acting Chair Rivera asked if a motion is needed to postpone, or to amend the agenda at this point.

Ms. Brennan all that is needed is a motion to postpone..

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera for purposes of discussion, to postpone this item to the next meeting of the Finance Committee on March 16, 2015.

VOTE: The motion was approved unanimously on a voice vote.

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END OF CONSENT CALENDAR DISCUSSION

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OTHER ITEMS NOT REVIEWED BY FINANCE DEPARTMENT FOR DISCUSSION DISCUSSION

18. **REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT – SERVICES AT THE SANTA FE RAILYARD; THE SANTA FE RAILYARD PARK STEWARDS. ("BOB SIQUEIROS)**
    A. **REQUEST FOR APPROVAL OF BUDGET INCREASE – RAILYARD PROJECT FUND.**

Item #19 was pulled altogether by staff.

19. **REQUEST FOR APPROVAL OF APPLICATION – FY 2015 SECTION 5307 URBANIZED AREA APPORTIONMENT TO CITY OF SANTA FE; DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION. (KEN SMITHSON)**
    A. **REQUEST FOR APPROVAL OF BUDGET INCREASE – TRANSIT BUS OPERATION FUND.**

Mr. Rodriguez said they have been discussing this with the Department and we have agreed this should come back to you at a later date.

MOTION: Councilor Lindell moved, seconded by Councilor Rivera, to postpone this item to the next meeting of the Committee on March 16, 2015.

DISCUSSION: Acting Chair Rivera asked if staff will be ready to cover this by the next meeting, and Mr. Rodriguez said yes.

VOTE: The motion was approved unanimously on a voice vote.

DISCUSSION

20. REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT TO PROVIDE FULL FUNDING FOR FY 2014/15 ECONOMIC DEVELOPMENT PROGRAM. (KATE NOBLE)

Mr. Rodriguez said, "Most items that have come to this Committee have also by now gone to another subcommittee and that's how they get on the agenda. Economic Development doesn't have a similar Finance Committee, and that's the only reason. It wouldn't come under the consent agenda. Staff is recommending approval of this."

Chair Rivera asked the reason she is coming forward at this time with the next fiscal year budget without waiting for the actual budget process.

Ms. Noble said, "To clarify, this not for the next fiscal year, this is cleaning up the revenue side of funding for Economic Development for this fiscal year. The expenditures were approved, but the revenues had not been put clearly before members of this Governing Body, so we wanted to do that.

Chair Rivera asked Ms. Noble to continue with her presentation.

Ms. Noble said, "In your packet, you have a memo and a Budget Adjustment Request [BAR] which, as I mentioned is to clarify the revenues for the approved expenditure budget for this fiscal year in the Economic Development Program. And we've also included a projection of what the Economic Development Budget will arrive at, which is about $50,000 less, in terms of contract expenditures, than was approved when this fiscal year's budget was approved."

Ms. Noble continued, "But to just talk you through what is going on here, we are looking at the projection of the end of the fiscal year. And for that, we have both revenues and expenditures. We have increased the projected revenue for the end of the fiscal year because of the wonderful work of the office of asset development. So that is the $245,600 you see there. That's an increased projection from the office of asset development. We also are realizing revenue from Monte Sereno. This is basically revenue that is restricted to our Business Incubator. This year, we bought out the mortgage for HUD for the Business Incubator, so about half that funding, $200,000 was to buy out the Incubator's mortgage and the

City Council approved that back in July. And the other half is for the Incubator's contract which is $200,000 for this fiscal year. So the $400,734 was on the books, but now we're realizing the revenue through this BAR. The last piece to make the Economic Development budget for the fiscal year is a transfer of some of the reserves designated for economic development, generated from Tierra Contenta."

Ms. Noble continued, "Some of you may remember a sheet we have done, but I don't believe it was in front of the Council this most recent budget year, but we have it going back about 5 years. Economic development has recurring revenue in the neighborhood of $500,000, and the program has been approved at an expenditure rate of about $1 million. There are significant reserves that have been generated from a variety of sources, going back to the Valdes Business Park land sales. But since, 1999, Economic Development has been spending more than is brought in, and has been spending down those reserves. We have been very careful in the past 3-4 years to trim expenditures to the level they were and that has extended the life of our reserves, which now look, at the current spending rate to last 2-3 more years."

Councilor Maestas said at the beginning of the fiscal year, we approve an established budget, and he has no comment good or bad, noting he thinks it's a good, solid program. He is concerned about the revenues to pay for the programs. He said we adopt the Economic Development budget at the beginning of the year, but would not realize the funds for the budget. He said, with regard to this program, we're going to have some kind of reserve, so we have stability in the event we don't realize revenues from land sales. He asked what happens in that event, and if the General Fund then rescues Economic Development. He said there has been a healthy beginning cash balance the previous two years which is good. It gives some security if the land sales don't happen. He is uneasy about the tenuous nature of this budget commenting he thinks it's cool that they are getting the late injection of funds through land sales. However, at budget time, we really need to think about how to handle this going forward, especially since the cash went from $400,000 to $30,000 in one fiscal year. He thinks we really need to regulate the program, or come up with a restricted reserve apart from land sales, commenting he things the reserve should be not less than $500,000.

Mr. Rodriguez said Councilor Maestas hit it on the bull's-eye. He said, "We have an ongoing project being funded by one-time money continuously." He said, "This is a recommendation I would put in front of you that we no longer follow this course of action. No question about it, this is a program that has survived because of that. We shouldn't expect that it will be a continuing lifeline for us. I would recommend this is a project that we would plug into the General Fund, and the one-time funds be designated for one time projects that would come and go. And so, we will be coming forward to you with a budget that tries to get us there, at least some steps there this year."

Councilor Maestas said we have some good recurring programs here, and he would like to come up with a policy to create a reserve fund.

Mr. Rodriguez said, "Again, my recommendation would be, obviously you will have the last word here, but my recommendation would be that it be part of the General Fund, and the ongoing programs be funded with ongoing revenues. And the one-time money be held in abeyance for one-time projects."

Councilor Maestas said if we do it that way, we would get a transfer from Economic Development into the General if we realized the unanticipated revenue from land sales. If we covered it at the beginning of the fiscal year with general funds, any revenue from land sales is gravy and we can pretty much reimburse the General Fund. Is that what you're advocating.

Mr. Rodriguez said, "No sir. I would be talking in terms of a steady budget amount from the General Fund and that would be for on-going programs, for one time money, one time projects that would come along, we would use the money from the reserves or from one time sales."

Councilor Maestas asked if we are going to do that in the next budget.

Mr. Rodriguez said, "Like a lot of things, Councilor, this would be one of those multi-year projects. So hopefully, next year we'll be able to take a couple of steps in that direction. You will see some funding, and as time goes on, greater, but still the policy of one time money. You sell some land you sell something and it's one time money and you put that to one-time projects that won't recur. For recurring programs, the Council would just approve a budget for that straight ahead, so we don't end up doing what has been happening here. What has happened is that over several years the General Fund has been providing the cash. At some point, we were also taking cash from other restricted accounts and now we're going to be refunding that. But yes, this is something that needed to get cleaned up. I'm bringing them to you, because we're changing the way we're doing business, and that's why it's here and such a big amount. This cleans up the arrears from several years, actually two years."

Ms. Noble said, "If I may clarify a few things. Economic Development is funded by a share of the GRT, as well as land sales. And the reserve fund, which is from the Tierra Contenta Land sales, designated a portion for Economic Development. We will have about $1.1 million in reserves, $1.2 million total, and $100,000 of that has been designated for affordable housing. The Affordable Housing Program has used that money more actively in recent years. So there is a reserve fund that has been designated for a portion of Economic Development. The plan is that the share of GRT, and we in Economic Development would love any input on how this can be communicated best to the Governing Body, but our plan is to designate recurring funds to the GRT portion, which is recurring, of Economic Development, and look at the one-time expenditures as something that might last 3 years. Because any truly one-time expenditure in Economic Development is very hard to come by."

Ms. Noble continued, "In most programs and best practices, you would invest in something to get it off the ground, really the standard is 5 years, but it is sometime considered to be 3 years and that's the standard we hope to bring before you as we prepare our budget, as well as anticipated impacts of any programs we're investing in, in 3-5 years. So, if the payoff for instance for something like Make Santa Fe, were to be 3-4 companies a year, employing an average of 3 people, because the curve in economic development projects will also get easier, so the first money in is the hardest, and the last money in will have the greatest return."

Ms. Noble continued, "So we are looking at different ways to present this to you as we prepare our budget, but the plan will be to in essence allocate one-time funding to programs that would be phased out and to estimate the returns to the Governing Body so you understand the impact of what you're getting for

each of these contracts. There is one staff position that is out of the Economic Development Fund, but we are also looking at all of our staff hours as an allocation of an Economic Development resource, and trying to think about it that way. So if we look at the Office of Business Development, understanding the investment of that person's time to be a presence in City Hall to assist local businesses is important. And as we look at the entirety of Economic Development portfolio, understanding the resources of staff time as well as any cash contracts that we do in its entirety is what we're hoping to present in a clear way to the Governing Body."

Councilor Maestas asked the source of payments in lieu of taxes.

Ms. Noble said the $56,000 is the Thornburg IRB, so it comes in and goes out to the Public Schools.

Councilor Trujillo asked the source of the $2,287.

Ms. Noble said as part of the budget they hired a young woman who was here for the summer who did scientific studies of impacts, so she put together the survey and walked around to the businesses and surveyed them, because businesses didn't respond when we emailed the survey. We needed somebody to go into the shop and ask them the questions.

Councilor Trujillo said then the $2,287 is for a contract for an individual, and Ms. Noble said yes. He said, "I just want to talk about economic development and it does a good things. In talking to Councilor Lindell, I think this Biking *[inaudible]* will have a major impact on the community. Councilor Lindell has a Resolution to allow alcohol to be served at the Railyard and I totally support. As adults, it's going to bring people in. We're not saying, come to the Railyard and get plastered. That's not what we're saying. We're saying as adults, you can come here, you can have a beer maybe two, and enjoy yourself. That's what it's about. I think for too long this Council has been scared about a lot of issues, and I understand, there have been some tragedies that have happened in this community. And unfortunately, those tragedies will continue to happen, that's something we can't stop."

Councilor Trujillo continued, "But if there is a way to bring people to this community, and I'll give you an example. This weekend I sent to Albuquerque, and I went to Dave & Buster's, a giant arcade for grownups and they were selling alcohol in the video arcade to adults. The kids weren't drinking, adults were. And guess what, they coexisted. And we didn't see anything bad happening. It was just a fun time. And I'm not condoning alcohol at every event, but it does bring people out. For music on the plaza, I would like to have a glass of wine, listening to music. I might even like to have a beer as well. I'm just saying, Kate, these are the things that Mayor Gonzales and this administration need to look at. These are things that locals have asked for this – these are type of events they want to see. I still hope we look at some more youth events, that would be at the top of my list right now at the Parks or places like that. Thank you for the report."

MOTION: Councilor Trujillo moved, seconded by Councilor Lindell, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

21. DISCUSSION ON BUDGET FOLLOW-UP

A. BUDGET CALENDAR

Mr. Rodriguez said there are a number of days everyone could be present, and he is waiting on the outcome. He said if you would like, he can issue another calendar with the dates you can attend.

Councilor Trujillo asked how many days we are considering for budget hearings.

Mr. Rodriguez said it can be done in two days, but it could take up to three days.

Councilor Trujillo said he was expecting 2-3 days.

Mr. Rodriguez said he blocked out 1½ weeks for subcommittee review in terms of availability. He said there was some discussion about presenting from the bottom up, and that would be a 1½ week endeavor, commenting it would take several hours for each department. He said we have asked the departments to submit a budget with no expansion. The departments will present the budget that has been agreed to and then stand for questions, and can go into detail wherever you want.

Acting Chair Rivera asked Mr. Rodriguez to email all the Councilors on the Committee and try to narrow down some days we can meet, and hopefully by the next meeting, we will have some actual dates for the calendar.

Mr. Rodriguez said he will send those out tomorrow.

B. COUNCIL BUDGET DISCUSSION REVIEW – STRATEGIC PRIORITIES

Mr. Rodriguez said this also is an item that Chair Dominguez wanted on the agenda because he wants to continue talking about this. He said a big part of how we're going to balance the budget is elimination of vacant positions. He said that conversation quickly gets into priorities and what areas can afford more to not fill vacancies. He said that discussion will be very helpful to staff. He said, "Our intention is in the budget to present a recommended plan to you for that, in terms of the dollars, the general areas where things would go, etc., so you will have that as part of the budget plan. The only thing I would add to that is that the intention is to arrive at that plan in this fiscal year so it starts to get implemented as soon as possible. You will be getting the budgets in about 4 weeks, so our intention is to have that plan to you and then basically start to launch that plan from that point forward, with the expectation that it won't start until July 1, but we'll start as much as possible this fiscal year. In terms of any input that the body here would provide, we would appreciate that."

C. HOLD HARMLESS

Mr. Rodriguez said you saw the information yesterday, and we are working up some possible scenarios of what it would take, in terms of a tax increase, etc. He said, "As you know, the way it works, the City does have quite a bit of latitude with current legislation to raise taxes enough to recover what would be lost over time. Obviously, we weigh the tax now before it is lost and what would be realized before it starts to go away. So maybe some of those things can be pushed back a little bit. I intend to come to you with different scenarios, not as part of the budget necessarily, but at least you'll have it. Over 15 years we will lose $11 million, and it would depend on the volume of sales at that time, to get an approximately three quarter eight cent GRT to make that entire amount up."

Mr. Rodriguez continued, "Of course, the earlier you do that, the smaller the increments you can take until we recover that amount, because you will be recovering more than what you hold harmless will be taking away. The only way that would work of course is that if you put it into a reserve and it starts to make up what is there at hold harmless. Otherwise if we raise the GRT as well, concurrently, the effect on negotiating the hold harmless thing goes away. I will be bringing those scenarios to you so we can continue discussing that. I would also like to, maybe at a future meeting, cover with you building a local economy profile of what we might be paying attention to as we try to manage the City's finances."

Mr. Rodriguez continued, "There's been a number of demographic changes and local economic changes that I think bear watching as we plan for the budget now and in the future. For example GRT, one of the things that's dragging down GRT is the aging of the population. Consumers peak in the mid-40's and our population is now getting to that range, and so that is going to be driving down GRT. But it could also be the change in the type of services and the way services are delivered. These are the sorts of things I'll be trying to bring to you some scenarios so we can be discussing those, hopefully informing our financial management policies in the budget as well. That's all I have Mr. Chair."

Councilor Maestas said we attended the Joint City/County meeting, and there were opening remarks about the hold harmless issue, noting he had to leave after the first hour. He said the rumor is out there that Santa Fe County is considering exercising the imposition of the hold harmless GRT. As you know, if will be effective in the City as well. He doesn't know what is happening behind the scenes and if we are talking to them to figure out how we can prevent this. He said it is a double taxation situation. He said it's a discussion we need to have, although it's not the best public discussion. He said we could get preempted by Santa Fe County, and make it harder for us to consider additional GRTs increases in the future. He said he has said many times, "I don't think we're ready to pull that trigger yet, but certainly the need is there." He doesn't want to make the decision for the wrong reasons, and Santa Fe County's consideration of imposing the additional tax could and should play into our discussion on revenue enhancements. He asked if the County brought that up in more detail at the meeting.

Acting Chair Rivera said he also left a little early and didn't hear much more discussion about it. He asked Former Councilor Heldmeyer if she attended the meeting.

Former Councilor Karen said, "The County feels that they were misrepresented in the newspaper article, and that they are looking to pass 1/8 rather than the total 3/8, but that's not what it sounded like in the paper, but they're looking to pass something."

Councilor Maestas said some of the cities that have enacted the tax aren't making up what they're losing in hold harmless. He said 10 counties have adopted it, and are realizing a benefit far above what they're losing in hold harmless, commenting it's not their fault, that's the way the law was written. He said the next steps may be diplomatic efforts between the City Manager and the Mayor to talk about this with the County. He said it doesn't look as if there will be any legislative action on Hold Harmless, commenting, "I think it's a dead issue from this point forward."

Councilor Maestas continued, saying, as we start implementing better financial practices, we need a much better idea of our deficit. He noted Mr. Rodriguez has said it's $2.5 million, but he thinks it's far greater, given what we're finding out. He wants as good an assessment as possible in implementing these practices of what it would generate.

Mr. Rodriguez said, "In my remarks, I mentioned the problem is much greater than $2.1 million, because there is a lot that has to be undone after 8 years of bridging. A fair way to estimate it is to look at the deficit under which you've been operating for the past 8 years, and I would assume it is about $90 million of things that have to be undone. The case Kate Noble brought here is just one of those. There are a lot of little funds out there which have been running with negative balances for some time, and we're starting to report those to you – the Airport, GCCC, and others. He said the General Fund currently counts those as an IOU, but in reality there's probably not going to be water in those buckets when time comes to draw from them, so the problem is much greater than $2.5 million. On a yearly basis, it's about a $2 million problem, but if you take into account all the things that have been done, moving staff wherever the money was to survive, you start to draw that out, the problem is about a $90 million problem, but we can get there."

Mr. Rodriguez continued saying Santa Fe is in a good situation, but the deal is we have to start right now to do this.

Councilor Maestas said last year we had a flat budget, and departments directors were asked to submit expansion requests, but he doesn't think that is an accurate title for those. He said many of the expenditures for IT, for example, are vital expenditures. He said, "So call them unfunded requests, but please do not call them expansion requests. And one that we gave clear direction to your predecessor and the City Manager was to truly vet those requests, don't just pass them forward to us. Do that risk assessment, whatever criteria you want to apply, to make a recommendation to us that they definitely should be funded. That we know what is black and white. We didn't have that. There were a lot of gray areas last year."

Councilor Lindell said from what Mr. Rodriguez said and what we looked at in the last Council meeting, the key strategy points, "I'm just going to bring this up again, under operations, no reduction in service levels, and under financial management, unchanged property tax rate. I don't understand how we can continue to operate the way we're operating now, and have those as budget assumptions. When I

hear a number of $90 million, it may be that we need to identify what services we're not willing to reduce. I heard Councilor Maestas say he's not ready to entertain a gross receipts tax increase. This says an assumption of unchanged property tax rate. Something's got to give somewhere. I don't know how you bring forward a budget and we dig out of a $90 million hole with no reduction in services and an unchanged property tax rate. I just don't know how you pull that rabbit out of your hat. Fun with numbers."

Mr. Rodriguez said, "We're going to put our hand in the hat and then we are praying for a rabbit. It might be a skinny rabbit. The way we get out of that is over time. We're not going to do it in one year. We're not going to unravel all the things that were done to get us to where we are right now. It's going to take some time, but I'm confident in what I see in that there is the move to get there over time, number one. On two, the idea of not changing services levels in dealing with that, I tried to be as specific as I could, not changing current service levels now."

Mr. Rodriguez continued, "What is out there is that somehow you don't want to change service levels, but some of the services depend on good infrastructure, and as this crumbles, as it degrades, in fact service levels are lower. For example, if part of your life was in transportation and you constantly watched the condition of the surface of the streets, it wouldn't take very much for you to argue that, in fact, service levels have gone down, because there's new potholes, the surface is rougher and such. And so those kinds of things.... I guess what I'm saying is those service levels a pretty low already and so we don't plan to make sudden changes. Our goal is to try to get there. As I mentioned to you as well, we would recommend an increase in taxes, if it turns out after we look at everything, that we can't get there, at least give you some options for bridging that last piece. From the staff's standpoint, we won't bring it to you if there's not going to be support for it, the idea of raising property tax rate. We are going to recommend to you that this year you take a different step than previously, which is to finally recognize the tax rate, so that we don't have to depend on what the State tells us which is what they call the computed tax rate based on what unit is proposed. Whatever the tax rate is right now, it stays, and whatever you *[inaudible]* coming forward. Just to be real clear."

Mr. Rodriguez continued, "The other part again is vacancies, just not filling vacancies. There is no question that the budget was balanced with an assumed 4% vacancy, that's just the normal rate. But at any given time, there are hundreds of positions that are advertised, the most recent once, the General Fund ones will be continued to plan for over time. We can bring it down from those and hopefully the budget will be balanced. Again, the basic calculation here is about $49,000 on average per position per year. There are some positions that come up in the last two months of the fiscal year, so it doesn't really yield that much, but anyway, that's a moot point."

Councilor Maestas said, "Let's be very careful and our financial reform timeframe is going to be 4 years. Okay, we're reforming, okay we need so much in year one, year two, there's no way you're going to get me to support tax increases through this entire reform period. That's why we need the worst case for reform. What is our true funding gap, and then we can come up with a phased approach. Then we can make a better decision if we're going to pull the trigger on a property tax increase, or gross receipts tax

increase, or raise fees across the board, we need to know what we're going do with our funds, how it will affect our budget and our reform. We can't keep going to the well, Oscar, because I know we won't survive. There'll be a complete turnover here on the Governing Body, but he's of the school that if we're going to go there we need to make sure that this is going to give us everything we need or most of it.

Acting Chair Rivera asked Mr. Rodriguez to ask the City Manager to contact Katherine Miller at the County and see what they may be considering for hold harmless.

22. OTHER FINANCIAL INFORMATION

There was no other financial information.

23. MATTERS FROM THE COMMITTEE

Councilor Trujillo said we need to develop a training session for the Governing Body on the iPad. He said his daughter is teaching him. However there are things he still doesn't know, and would like Mr. Rodriguez to set up some training.

Mr. Rodriguez said the problem is that he doesn't have all of the apps yet, "you're way ahead." He said the plan is to download all those apps for you, provide training, so we can all roll out together at this point. He said it is a substantial savings, even if each iPad costs about $800, plus $45 per month for the card and another $10 for the licenses for the different apps you would have, and the savings by not printing the packet, not counting the overtime, we can pay for the capital cost of the iPads. He said going forward, it's a different thing.

A copy of "Bills and Resolutions scheduled for introduction by members of the Finance Committee, for the Finance Committee meeting of March 2, 2015, is incorporated herewith to these minutes as Exhibit "1 "

Councilor Lindell introduced an Ordinance authorizing the sale of 2,352 square feet of real property located adjacent to 131 Sandoval Street and described as "License Agreement Area," as shown and delineated on a survey entitled "License Agreement for Landscaping and Pedestrian Access," prepared by Dean L. Shrader, NMPS No. 12451, recorded in Book 2197, page 815 of the records of Santa Fe County, New Mexico. Councilor Lindell said the appraised value of the property is $160,000, and the sale price of the property will be $160,000 for 2,352 square feet. A copy of the Ordinance is incorporated herewith to these minutes as Exhibit "2."

Acting Chair Rivera asked if the Ordinance will be going to any Committee, commenting probably Public Works or Finance he would imagine.

24. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 p.m.

C Dominguez

Carmichael A. Dominguez, Chair

Reviewed by:

Oscar S. Rodriguez, Finance Director
Department of Finance

Melessia Helberg

Melessia Helberg, Stenographer

FINANCE COMMITTEE MEETING OF
March 2, 2015
BILLS AND RESOLUTIONS SCHEDULED FOR INTRODUCTION
BY MEMBERS OF THE GOVERNING BODY

Mayor Javier Gonzales		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Patti Bushee		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Bill Dimas		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Carmichael Dominguez		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Peter Ives		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Signe Lindell		
Co-Sponsors	**Title**	**Tentative Committee Schedule**
	AN ORDINANCE AUTHORIZING THE SALE OF 2,352 SQUARE FEET OF REAL PROPERTY LOCATED ADJACENT TO 131 SANDOVAL STREET AND DESCRIBED AS "LICENSE AGREEMENT AREA" AS SHOWN AND DELINEATED ON A SURVEY ENTITLED "LICENSE AGREEMENT FOR LANDSCAPING AND PEDESTRIAN ACCESS" PREPARED BY DEAN L. SHRADER, NMPS NO. 12451, RECORDED IN BOOK 2197, PAGE 815 OF THE RECORDS OF SANTA FE COUNTY, NEW MEXICO.	City Council (request to publish) – 3/11/15 City Council (public hearing) – 4/8/15

This document is subject to change.

Exhibit "1"

Councilor Joseph Maestas		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Chris Rivera		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Councilor Ron Trujillo		
Co-Sponsors	**Title**	**Tentative Committee Schedule**

Introduced legislation will be posted on the City Attorney's website, under legislative services. If you would like to review the legislation prior to that time or you would like to be a co-sponsor, please contact Melissa Byers, (505)955-6518, mdbyers@santafenm.gov or Rebecca Seligman at (505)955-6501, rxseligman@santafenm.gov .

This document is subject to change.

CITY OF SANTA FE, NEW MEXICO

BILL NO. 2015-__

INTRODUCED BY:

Councilor Signe Lindell

AN ORDINANCE

AUTHORIZING THE SALE OF 2,352 SQUARE FEET OF REAL PROPERTY LOCATED ADJACENT TO 131 SANDOVAL STREET AND DESCRIBED AS "LICENSE AGREEMENT AREA" AS SHOWN AND DELINEATED ON A SURVEY ENTITLED "LICENSE AGREEMENT FOR LANDSCAPING AND PEDESTRIAN ACCESS" PREPARED BY DEAN L. SHRADER, NMPS NO. 12451, RECORDED IN BOOK 2197, PAGE 815 OF THE RECORDS OF SANTA FE COUNTY, NEW MEXICO.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. The attached Exhibit A, Quitclaim Deed between the City of Santa Fe (Grantor) and Galisteo Street, Inc. (Grantee) for real property lying and being situated within the City and County of Santa Fe, New Mexico, is approved subject to the conditions set forth in Section 2 below. The real property is a portion of the West Alameda Street right-of-way located adjacent to 131 Sandoval Street and more particularly described by meets and bounds as follows:

Beginning at a point being the southeast corner of the parcel herein described being a HUD Cap Stamped "DVUR 15", thence from said point of beginning, N. 48° 16' 25" W., a distance of 8.20

Exhibit "2"

feet to a point; thence N. 42° 35' 56" W., a distance of 24.60 feet to a point; thence along a curve to the right, Delta of 11° 28' 21", Radius of 136.44 feet, Arc length of 27.32 feet, Chord bearing of N. 34° 50' 40" W. and Chord length of 27.27 feet; thence N. 28° 45' 46" W., a distance of 23.86 feet to a point; thence along a curve to the left, Delta of 16° 30' 03", Radius of 178.65 feet, Arc length of 51.45 feet, Chord bearing of N. 38° 50' 31" W. and Chord length of 51.27 feet to a point being the northwest corner; thence S. 53° 43' 32" E., a distance of 120.49 feet to a point being the northeast corner; thence S. 23° 05' 16" E., a distance of 38.61 feet to the point and place of beginning. Being and intended to be "LICENSE AGREEMENT AREA" as shown and delineated on a survey entitled "LICENSE AGREEMENT FOR LANDSCAPING AND PEDESTRIAN ACCESS" prepared by Dean L. Shrader, NMPS No. 12451, and recorded in Book 2197, Page 815 of the records of Santa Fe County, New Mexico.

Section 2. The sale of the property is approved subject to the following conditions:

a) The property shall not be considered a legal lot of record for any purpose, but rather shall be consolidated by Grantee with the adjoining lands commonly known as 131 Sandoval Street;

b) The property shall be subject to right of way for utility purposes;

c) A one (1) foot wide easement shall be reserved along the entire length of the property boundary adjacent to West Alameda Street for the benefit of the City of Santa Fe for future widening of the existing sidewalk adjacent to the property.

Section 3. The appraised value of the property is $160,000. The sale price of the property is $160,000, payable in cash to Grantor upon closing.

Section 4. This ordinance shall become effective forty-five (45) days after its adoption, unless a referendum election is held pursuant to Article 3-54-1 NMSA 1978.

APPROVED AS TO FORM:

_____

KELLEY A. BRENNAN, CITY ATTORNEY