



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
MARCH 16, 2015 – 5:00 P.M.

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

CITY CLERK'S OFFICE

DATE 3/12/15 TIME 2:00pm
SERVED BY Yolanda Green
RECEIVED BY Shirley Hartig

Regular Finance Committee – February 16, 2015

CONSENT AGENDA

6. Bid No. 15/07/B – City-Wide On Call Miscellaneous HVAC Services and Construction Agreement Between Owner and Contractor. (LeAnn Valdez)
 - Yearout Service, LLC
 - Welch's Boiler Services
 - Mechanical Control Solutions
7. Request for Approval of Amendment No. 1 to Professional Services Agreement – LFMC to Act as Project Manager for Fund 892 Capital Appropriation Project; La Familia Medical Center. (David Chapman)
8. Request for Approval of Change Order No. 6 – Runway 2-20 Medium Intensity Runway Lighting (MIRL) System Replacement at Santa Fe Municipal Airport; Vis-Com, Inc. (Jon Bulthuis)
9. Request for Approval of Sole Source Procurement Under State Price Agreement and Professional Services Agreement – Construction Management Services for Reservoir Improvements; Weaver Construction Management, Inc. (Robert Jorgensen)
10. 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)
11. Request for Approval of Procurement Under State Price Agreement – City-Wide Data and Phone Cabling Services for ITT Department; HEI, Inc. (Renee Martinez)



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FINANCE COMMITTEE MEETING
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12. Request for Approval of Memorandum of Understanding – Terrain Mapping and Orthophotography for ITT Division; Santa Fe County and Approval of Budget Increase in the Amount of \$75,000 in Water Fund. (Renee Martinez)
13. Request for Approval of Revised and Restated Joint Powers Agreement – Santa Fe Metropolitan Planning Organization Planning in Compliance with all Federal, State and Local Regulations and New Provisions of MAP 21, the Current Federal Transportation Funding Act; County of Santa Fe, Tesuque Pueblo and State of New Mexico Department of Finance Administration and Approval of Budget Increase in the amount of \$501,814 in Metropolitan Planning Organization Fund. (Mark Tibbetts)
14. Request for Approval of Budget Transfer in the Amount of \$108,040 from Fire Impact Fees to Capital Improvement Program for Remodel and Expansion of the Fire Department's Training Facility. (Jan Snyder)
15. Request for Approval of Procurement Under Cooperative Price Agreement – Structural Firefighting Personal Protective Clothing for Fire Department; L.N. Curtis and Sons. (Jan Snyder)
16. Request for Approval of \$100,000 Grant Award and Budget Increase for Use of Funds to Procure F550 Ford Truck and Fire Protection Skid Unit Under State Price Agreement for Fire Department; Don Chalmers Ford. (Jan Snyder)
17. 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
Finance Committee (postponed)	03/02/15
City Council (request to publish notice of public hearing)	03/25/15
City Council (public hearing)	04/29/15

Fiscal Impact – No

18. Request for Approval of an Ordinance Amending Subsection 23.6-2 SFCC 1987 to Permit the Sale and Consumption of Alcohol at the Railyard Park for the Bike and Brew Event (Councilor Lindell, Mayor Gonzales, Councilors Maestas and Bushee) (Kate Noble)



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FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
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Committee Review:

City Council (request to publish) (approved)	02/25/15
Public Works Committee (scheduled)	03/09/15
City Business Quality of Life Committee (approved)	03/11/15
City Council (Public Hearing)	03/25/15

Fiscal Impact – No

19. Request for Approval of an Ordinance Amending Section 2-22 SFCC 1987 to Rename the "Internal Audit Department" the "Audit, Accountability and Performance Management Department"; Establish a Position of a Fraud Auditor to Investigate Fraud, Waste and Abuse Allegations; and Make Such Other Changes as are Necessary to Clarify Certain Provisions of the Accountability and Performance Management Ordinance. (Councilor Maestas) (Liza Kerr and Kelley Brennan)

Committee Review:

Audit Committee (approved)	03/04/15
City Council (request to publish)	03/25/15
City Council (public hearing)	04/29/15

Fiscal Impact – Yes

20. Request for Approval of an Ordinance Relating to the Single-Use Carryout Bag Ordinance, Section 21-8 SFCC 1987; Amending Subsection 21-8.1 to Modify the Legislative Findings Related to Paper Grocery Bags; Amending Subsection 21-8.4 to Establish the Requirement That Retail Establishments Collect a Paper Grocery Bag Charge for Each Paper Grocery Bag Provided to Customers; Amending Subsection 21-8.6 to Establish a 60 Day Implementation Period; and Making Such Other Changes as are Necessary to Carry Out the Purpose of This Ordinance. (Councilors Ives and Lindell) (John Alejandro)

Committee Review:

City Council (request to publish)	03/25/15
Public Utilities Committee (scheduled)	04/01/15
City Business Quality of Life Committee (scheduled)	04/08/15
City Council (public hearing)	04/29/15

Fiscal Impact – Yes



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
MARCH 16, 2015 – 5:00 P.M.

21. 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) (Chris Sanchez)

Committee Review:

Public Works Committee (approved)	02/23/15
Finance Committee (postponed)	03/02/15
Mayor's Youth Advisory Board (approved)	03/05/15

City Council (request to publish)	03/25/15
City Council (public hearing)	04/29/15

Fiscal Impact – Yes

22. Request for Approval of a Resolution Directing Staff to Work with the Santa Fe Area Home Builders Association to Incorporate the Water Efficiency Rating System ("WERS") Into the Residential Green Building Code and Related Administrative Procedures. (Councilors Ives and Bushee) (Gregory Smith and Rick Carpenter)

Committee Review:

Public Works Committee (approved)	03/09/15
Public Utilities Committee (scheduled)	04/01/15
City Council (scheduled)	04/08/15

Fiscal Impact – Yes

END OF CONSENT AGENDA

DISCUSSION

23. Discussion on Budget Follow-up:

- Update on Health Plan and Design of Options for Savings. (Sandra Perez)

24. OTHER FINANCIAL INFORMATION:

- A. Monthly Financial Report as of January 31, 2015
- B. New Procurement Officer Sign-off Sheet
- C. Long Term Financial Planning



Agenda

**FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
MARCH 16, 2015 – 5:00 P.M.**

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25. MATTERS FROM THE COMMITTEE
 26. 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 16, 2015

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE – FEBRUARY 16, 2015	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF CHANGE ORDER NO. 6 – RUNWAY 2-20 MEDIUM INTENSITY RUNWAY LIGHTING (MIRL) SYSTEM REPLACEMENT AT SANTA FE MUNICIPAL AIRPORT; VIS-COM, INC.	Approved	4-5
REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – TERRAIN MAPPING AND ORTHOPHOTOGRAPHY FOR ITT DIVISION; SANTA FE COUNTY AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$75,000 IN WATER FUND	Approved	5
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	Postponed to 05/04/15 w/direction	5-7

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987, TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT THE RAILYARD PARK FOR THE BIKE AND BREW EVENT	Approved [amended]	7-10
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-22 SFCC 1987, TO RENAME THE "INTERNAL AUDIT DEPARTMENT," THE "AUDIT, ACCOUNTABILITY AND PERFORMANCE MANAGEMENT DEPARTMENT;" ESTABLISH A POSITION OF A FRAUD AUDITOR TO INVESTIGATE FRAUD, WASTE AND ABUSE ALLOCATIONS; AND MAKE SUCH OTHER CHANGES AS ARE NECESSARY TO CLARIFY CERTAIN PROVISIONS OF THE ACCOUNTABILITY AND PERFORMANCE MANAGEMENT ORDINANCE	Approved [amended]	10-15
REQUEST FOR APPROVAL OF AN ORDINANCE RELATING TO THE SINGLE-USE CARRYOUT BAG ORDINANCE, SECTION 21-8 SFCC 1987; AMENDING SUBSECTION 21-8.1 TO MODIFY THE LEGISLATIVE FINDINGS RELATED TO PAPER GROCERY BAGS; AMENDING SUBSECTION 21-8.4 TO ESTABLISH THE REQUIREMENT THAT RETAIL ESTABLISHMENTS COLLECT A PAPER GROCERY BAG CHARGE FOR EACH PAPER GROCERY BAG PROVIDED TO CUSTOMERS; AMENDING SUBSECTION 21-8.6 TO ESTABLISH A 60-DAY IMPLEMENTATION PERIOD; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY TO CARRY OUT THE PURPOSE OF THIS ORDINANCE	Approved [amended] w/direction	15-23
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	24
***** END OF CONSENT CALENDAR DISCUSSION *****		

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
<u>DISCUSSION</u>		
<u>DISCUSSION ON BUDGET FOLLOW-UP:</u>		
UPDATE ON HEALTH PLAN AND DESIGN OF OPTIONS FOR SAVINGS	Information/discussion	24-29
<u>OTHER FINANCIAL INFORMATION</u>		
MONTHLY FINANCIAL REPORT AS OF JANUARY 31, 2015	Information/discussion	29-32
NEW PROCUREMENT OFFICER SIGN-OFF SHEET	Information/discussion	32-34
LONG TERM FINANCIAL PLANNING	Information/discussion	34-39
MATTERS FROM THE COMMITTEE	None	39
ADJOURN		39

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, March 16, 2015

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 5:00 p.m., on Monday, March 16, 2015, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Ronald S. Trujillo
Councilor Christopher M. Rivera

OTHER COUNCILORS ATTENDING:

Councilor Peter N. Ives

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Teresa Gheen, Assistant City Attorney
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

Oscar Rodriguez, Director, Finance Department, said he would like to amend the caption of #9 so that it reads: "Request for approval of sole source procurement for Professional Services Agreement...."

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

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

6. **BID NO. 15/07/B – BID NO. 15/07/B – CITY-WIDE ON CALL MISCELLANEOUS HVAC SERVICES AND CONSTRUCTION AGREEMENT BETWEEN OWNER AND CONTRACTOR. (LeANN VALDEZ)**

- A. **YEAROUT SERVICE, LLC**
- B. **WELCH'S BOILER SERVICES**
- C. **MECHANICAL CONTROL SOLUTIONS**

7. **REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – LFMC TO ACT AS PROJECT MANAGER FOR FUND 892 CAPITAL APPROPRIATION PROJECT; LA FAMILIA MEDICAL CENTER. (DAVID CHAPMAN)**

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

9. **REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT ~~UNDER STATE PRICE AGREEMENT AND~~ FOR PROFESSIONAL SERVICES AGREEMENT – CONSTRUCTION MANAGEMENT SERVICES FOR RESERVOIR IMPROVEMENTS; WEAVER CONSTRUCTION MANAGEMENT, INC. (ROBERT JORGENSEN)**

10. **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)**

11. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – CITY-WIDE DATA AND PHONE CABLING SERVICES FOR ITT DEPARTMENT; HEI, INC. (RENEE MARTINEZ)
12. *[Removed for discussion by Councilor Lindell]*
13. REQUEST FOR APPROVAL OF REVISED AND RESTATED JOINT POWERS AGREEMENT – SANTA FE METROPOLITAN PLANNING ORGANIZATION PLANNING IN COMPLIANCE WITH ALL FEDERAL, STATE AND LOCAL REGULATIONS AND NEW PROVISIONS OF MAP21, THE CURRENT FEDERAL TRANSPORTATION FUNDING ACT; COUNTY OF SANTA FE, TESUQUE PUEBLO AND STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION, AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$501,814 IN METROPOLITAN PLANNING ORGANIZATION FUND. (MARK TIBBETTS)
14. REQUEST FOR APPROVAL OF BUDGET TRANSFER IN THE AMOUNT OF \$108,040 FROM FIRE IMPACT FEES TO CAPITAL IMPROVEMENT PROGRAM FOR REMODEL AND EXPANSION OF THE FIRE DEPARTMENT’S TRAINING FACILITY. (JAN SNYDER)
15. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – STRUCTURAL FIREFIGHTING PERSONNEL PROTECTIVE CLOTHING FOR FIRE DEPARTMENT; L.N. CURTIS AND SONS. (JAN SNYDER)
16. REQUEST FOR APPROVAL OF \$100,000 GRANT AWARD AND BUDGET INCREASE FOR USE OF FUNDS TO PROCURE F550 FORD TRUCK AND FIRE PROTECTION SKID UNIT UNDER STATE PRICE AGREEMENT FOR FIRE DEPARTMENT; DON CHALMERS FORD. (JAN SNYDER)
17. *[Removed for discussion by Councilor Lindell]*
18. *[Removed for discussion by Councilor Trujillo]*
19. *[Removed for discussion by Councilor Lindell]*
20. *[Removed for discussion by Councilor Trujillo]*
21. *[Removed for discussion by Councilor Maestas]*
22. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO WORK WITH THE SANTA FE AREA HOME BUILDERS ASSOCIATION TO INCORPORATE THE WATER EFFICIENCY RATING SYSTEM (“WERS”) INTO THE RESIDENTIAL GREEN BUILDING CODE AND RELATED ADMINISTRATIVE PROCEDURES (COUNCILORS IVES AND BUSHEE). (GREGORY SMITH AND RICK CARPENTER). Committee Review: Public Works Committee (approved) 03/09/15; Public Utilities Committee (scheduled) 04/01/15; and City Council (scheduled) 04/08/15. Fiscal Impact – Yes.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE – FEBRUARY 16, 2015

MOTION: Councilor Trujillo moved, seconded by Councilor Maestas, to approve the minutes of the regular Finance Committee meeting of February 16, 2015, as presented.

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

CONSENT CALENDAR DISCUSSION

8. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 6 – RUNWAY 2-20 MEDIUM INTENSITY RUNWAY LIGHTING (MIRL) SYSTEM REPLACEMENT AT SANTA FE MUNICIPAL AIRPORT; VIS-COM, INC. (JON BULTHUIS)

Councilor Lindell said she was looking for information on this.

Kent Freier, Engineer, Molzen Corbin, said this is for a project that is being done to replace the lighting system on Runway 2-20 at the Airport. He said, "Just for some background, Change Order 1 was for the purchase of two lighted X's which were the request of the Airport Manager. The other Change Orders were for time only, not for money. This particular Change Order is for several items, some of them are just final quantity adjustments. Like Item #12 was adjusting the quantities from 23,000 to 26,000 linear feet and then some of it is repairing FAA cables that were not marked, not in conduit. We found them with a trenching machine and had to repair them."

Councilor Lindell said then they weren't identifiable.

Mr. Freier said, "No. FAA cables at the Airport are not marked. They can't locate them. We've had them out there. They're not sure where they are. So as we find them, we've been marking them, but it's been a difficult situation with the FAA. Those cable have been in for 30-40 years."

Councilor Lindell asked what is the requested amount of money.

Mr. Freier said on the Change Order cover sheet, you'll see \$26,399.69.

Councilor Lindell said the City's share of this is \$825.00.

Mr. Freier said, "Right. The FAA pays for 93.75% of all the projects we have at the Airport. The State Aviation Division pays for 3.125% and then the City pays 3.125%."

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

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

12. REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – TERRAIN MAPPING AND ORTHOPHOTOGRAPHY FOR ITT DIVISION; SANTA FE COUNTY AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$75,000 IN WATER FUND. (RENEE MARTINEZ)

Councilor Lindell asked for information and history on this request and asked if this will be administered by the County.

Renee Martinez said that is correct. The County has been doing this on an ongoing basis covering a larger area for the County, and the City has been collaborating with them over time to share costs for getting the contractor and getting the portion of the data set that covers the City for us to use this. She said many departments use this aerial photography, including Land Use, Police, Fire, Wastewater, Water, so it's a heavily used data set. She said our portion of the data set is 105 square miles, additional terrain sections that cover our data set. So the cost we share is roughly proportionate to the square mileage of the data set that represents the City interest. She just spoke with Earl Wright, GIS Director, from Santa Fe County who is here this evening, and he said the City got a good deal. When he looked at the data set and was doing more calculations, he told us it would have been \$92,000 instead of the \$75,000. She said it's a very high quality data set which we haven't had since 2008.

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

DISCUSSION: Responding to the Chair, Ms. Martinez said it is already "flown" and it is here.

Chair Dominguez asked if we want to specify the scale and the contours and such, and if we are satisfied with that, and Ms. Martinez said, "Yes, we are."

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

17. 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; Finance Committee (postponed) 03/02/15; City Council (request to publish notice of public hearing) 03/25/15; and City Council (public hearing) 04/29/15. Fiscal Impact – No.

Councilor Lindell said we postponed this at the last meeting so the Chair could join the

conversation on this. She said she spoke Mr. Pino about it, and he told her that in looking at it and putting together the information on it with some of the bonds, and the way the money has deviated, we would be entertaining about 60 different ordinances right now to do this. She asked Ms. Garcia if she has additional information.

Ms. Garcia said, "What I found in going through the Parks Bond audit, the project is approved by Finance and Council., and it's just the plan and the projects that are approved. The only thing that is approved by Ordinance is the funding source. So there needs to be a clarification that the projects do not get approved through the Ordinance, but through a financial plan. I think one of the concerns was that the change to the Ordinance was to have a public hearing. But if there is a major change in the project plan, we can recommend a public hearing to change the master plan and not an Ordinance. To clarify the issue, the master plan or any projects funded by the Bond issue are not approved by the Ordinance."

Chair Dominguez said then the Ordinance would approve the funding, but we always have a master plan when we do a G.O. bond.

Ms. Garcia said, "We always have an adopted approved project list, and with that project list that is what is supporting the whole project for the funding source."

Chair Dominguez said then essentially, that list is the master plan and Ms. Garcia said that is correct.

Isaac Pino, Director, Public Works Department, said, "The bond counsel in the past has said that the question that is on the ballot is what overrides everything. So in the 2012 Bond election, for instance, Shall the City issue bonds or debt or whatever the question was, for roadways and trails, that's all it said. It didn't say to West Alameda, St. Francis or for any other project in particular. That was part of the implementation plan that came as the result of the election having passed. And you might recall that recently we dissolved that project anyway, and reallocated all that money to about 7 other projects. And we did it here, and without a public hearing, but it was vetted at BTAC, Public Works and Finance before it went to Council."

Chair Dominguez said, "I almost feel like we need to fine tune the language a little bit more, just so we can reflect the idea that a list is a master plan, and deviations from the master plan, and not the ordinance, I guess captures the intent. I would be reluctant to have every ordinance come through for what could be a relatively minor deviation."

Councilor Maestas said, "I think where we're getting dinged by the public is that maybe the Bond Ballot language doesn't have specific projects, but the plan as part of the public education campaign leading up to the election. So they remember the projects, even though they aren't on the ballot and in the language. I agree with spirit of it, but maybe like, instead of leaving it up to whatever constitutes a material deviation, that maybe we come up with realistic thresholds perhaps \$50,000 to \$100,000. If there is a change of more than \$100,000 tied to a certain ballot question for a bond, then we need to have a public hearing, explain the amendment, the need and maybe even present the project. That would be my recommendation, but I agree with the spirit that people have good memories and know what projects were

promoted with these bond issues, and they think we're getting them to approve something and then doing the opposite. I think that's happening, I think that's there, and I know you're trying to address that sentiment and that's why I agree with it."

Chair Dominguez said he would like to postpone this for a month, because he's unsure there is a codified process to recognize the master plan, noting we just go through this process and it's recorded. He said perhaps we can come up with language to identify a material deviation. He will work over the next month with staff to fine tune the language and get us to a better place.

Councilor Maestas suggested we address what Teresita was talking about – the process by which we amend the plan and what is the public involvement process that goes into amending a plan, because it's a recurring thing. He said we don't create a master plan for a bond issue. Perhaps we need to look at what extent to involve the public in changing these project plans as another approach.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to postpone this item to May 4, 2015.

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

18. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987, TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT THE RAILYARD PARK FOR THE BIKE AND BREW EVENT (COUNCILOR LINDELL, MAYOR GONZALES, COUNCILORS MAESTAS AND BUSHEE). (KATE NOBLE) Committee Review: City Council (request to publish) (approved) 02/25/15; Public Works Committee (scheduled) 03/09/15; City Business Quality of Life Committee (approved 03/11/15; and City Council (public hearing) 03/25/15. Fiscal Impact – No.**

A proposed amendment to the Ordinance proposed by the City Business & Quality of Life Committee is incorporated herewith to these minutes as Exhibit "1."

Councilor Trujillo said he isn't against this. He asked how many drinks people will be allowed to have while they are inside at this event.

Ms. Noble said according to Subsection 23-6.3 NMSA, 3 drinks would be allowed.

Councilor Trujillo said he wanted to make sure they were following the same things which are in place for the Fuego. He has no further questions.

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

DISCUSSION: Ms. Byers said there is amendment sheet on the Committee members' desks from the City Business and Quality of life. She noted Section 23-6.3 states that "...three 12 ounce beers with an alcohol content of no more than 5% are permitted." The proposed amendment would make an exception and provide for three 16-oz beers and allow the content to exceed 5% because craft beers exceed 5%.

Councilor Maestas said the amendment doesn't specify the number of servings.

Ms. Noble said the number of servings is provided by Section 23-6.3, which would be 3 drinks. She said craft beer ranges from below 5% to about 5% and the standard serving is a one pint glass and there is quite a bit of marketing in the various different craft beers. She said they invest in pint glasses, they are more green because they're glass and reusable, so this would be in keeping with an industry standard for a craft beer event.

Councilor Rivera asked, under the provisions of Section 23-6.3, what is the largest serving anybody else can serve at these events, and Ms. Noble said it is 12 ounces.

Councilor Rivera said we're keeping the same number of servings, but increase the amount of beer they actually can have. He understands the 1 pint glass, but nothing says they have to fill it to the top, believes they can minimize the service, and Ms. Noble said that is correct.

Councilor Rivera said in the discussions about Fuego, there was a discussion about standardizing all these events as a consistent means of handling these requests, and he doesn't really want to deviate from what we've set. He said, with regard to the amendments, he is okay with allowing more than 5%, but not in allowing the 16 ounce servings, and would like to keep it at three 12-ounce drinks.

Councilor Trujillo said he didn't know about the amendment to allow 16 ounce servings. He has the same concerns as Councilor Rivera and believes all of these events should be considered the same. He said with regard to the souvenir glasses, he is concerned if it gets dropped and somebody could get cut. He said he wants to be consistent, and treat everyone the same.

WITHDRAWAL OF MOTION: Councilor Trujillo withdrew his motion.

NEW MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to approve Item #18, and to approve the Amendment proposed by the Business and Quality Life Committee, except for Item 1(1) and to leave the serving size at 12 ounces.

DISCUSSION: Chair Dominguez noted the 12 ounce serving is based on best practices, which have dictated his support of various events. He asked Shelly Mann-Lev the Alliance's perspective, and what are best practices, and how do we break social norms to support these sorts of events.

Shelley Mann-Lev, Santa Fe Underage Drinking Prevention Alliance, said a standard drink of beer is 12 ounces of 5% alcohol. Craft beers range in alcohol content from 5 to 8%, usually on the higher end of 6-8%. She said, "There is a link and I did a calculation when I heard there was consideration of the three 16-ounce drinks at the 8% level, many of the craft beers... actually I did it at the 6% level and then at the 8% level, and you are looking at people being able to purchase over a few hours somewhere in the neighborhood 6-7 standard drinks, and people get drunk on that, right. In terms of best practices, guidelines are that males have no more than 6 drinks in a day. Binge drinking is considered 4 standard drinks for women, 5 drinks for me. So stay below that, which we do with three 12-ounce series of beer. Again it could be over a couple of hours, and I appreciate that the City is looking at an event... it's Bike and

Brew. It's not like we can eliminate..... But we want to do it, and that's why in 2011 there was so much attention laid out to these best practices."

Ms. Mann-Lev continued, "So one alternative to consider.... is to reduce it to two drinks. That would meet the best practices, because 32 ounces of higher craft beer would be amount 3 servings of 12 ounces of the 5% beer. So I think that is something that's important. And I hear there's a culture around selling things a certain way. That could be an alternative that would meet the best practice, or again the idea that you don't have to fill a glass completely full is an interesting notion. And there are many places, particularly internationally, where people actually measure alcohol much more carefully than we do, because there is a cost associated with these liquids."

Chair Dominguez asked if the mugs been purchased for the event.

Ms. Noble said no.

Chair Dominguez asked Mr. Goblet to speak to this issues.

Christopher Goblet, Executive Director, New Mexico Brewers Guild, Event Planner for the Bike and Brew. Mr. Goblet said last year they were inside of a building and didn't need to go through the process. He said he has put on 40 events over 3 years in New Mexico, and they do a commemorative pint glass with the event logo which people use throughout the event. The glasses are green, collectible, and it is the standard drink size universally, 16 ounces. Served in a can or bottle it can come in a 12 oz. portion size. He said to this point they had made no purchases obviously not knowing the outcome of this meeting and the proceedings to follow. He said, "We will make our purchasing based upon whatever it is that comes out of the recommendation by the City."

Chair Dominguez thanked Mr. Goblet, saying his position is that he's interested in the best practices and breaking the social norms. He said he isn't an expert on these issues, but he does want to listen to the experts. He said he would rather have a more finite amount expressed in the language, than to leave it to "not filling a glass up as much as you could," because it's harder to enforce. He said he is in support of the motion, unless changes are going to be made to it.

Councilor Maestas understands the need to be consistent, but he would also say we should be adapting with the trends. He said we have seen the success in Santa Fe of Santa Fe Brewing Company and the micro-brew industry, which is growing by leaps and bounds. He thinks we should be mindful of the industry and any associate events. He said the Bike and Brew is a very successful event, and he has heard only good about the event. He would speak to other side of the trend and consider changing the policy and perhaps revisiting 23-6.3, change the language to say up to 16 ounces instead of limiting it to 12 ounces.

Councilor Maestas continued, "Again, I really think we ought to be open minded about these emerging events, especially the ones that are very successful, and on a greater scale, be mindful of the entire micro-brew industry. The interest and popularity is that. I would rather approve the 16 ounce and limit the number of servings than stick with the 12 ounce and stay with 3 services. If people are riding bicycles would they have 3 beers. Would they really drink 3 beers and ride a bicycle, and I'm wondering where are

they going to put the glass. That's the danger is biking with a glass schooner. I think we should be open minded. I support the amendment, but if I had to compromise, I would compromising on limiting the servings to see how it goes and allow the 16 ounces."

Chair Dominguez doesn't mind the two 16-ounces, but he wants to make sure we have one or the other so staff and everyone knows exactly what the expectations are.

Councilor Lindell asked the sponsor of the event if three 12-ounce drinks is acceptable, and preferred over the two 16-ounce.

Mr. Goblet said, "At this point, I'm think about both the local resident as well as the tourist who is coming to visit us who has traveled a long way to a Bike and Brew event. I think the customer perception is that three 12-ounce beers over a 6 hour period of time feels like than two 16-ounce beers would feel. So in the interest of figuring out which would have the better consumer perspective, I think allowing a person to consume 3 beverages over a 3½ hour concert or a 6 hour period of time would be perceived of more value."

Councilor Maestas asked if any glass schooners are 12 ounces.

Mr. Goblet said they won't be able to purchase glasses for the event. They will change strategy and move to a biodegradable 12 ounce glass. He said one of the other recommendations that came from the BQL is that he event would be green, so we're going to toe the line between a suitable glass size, and move away potentially from the commemorative glass to something different.

Chair Dominguez thanked Mr. Goblet him for being amenable with the changes, which demonstrates his willingness to understand best practices and changing the social norms in Santa Fe, commenting it is not easy, and won't happen overnight. Mr. Goblet thanked the Committee and said he will see them in two weeks.

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

19. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-22 SFCC 1987, TO RENAME THE "INTERNAL AUDIT DEPARTMENT," THE "AUDIT, ACCOUNTABILITY AND PERFORMANCE MANAGEMENT DEPARTMENT;" ESTABLISH A POSITION OF A FRAUD AUDITOR TO INVESTIGATE FRAUD, WASTE AND ABUSE ALLOCATIONS; AND MAKE SUCH OTHER CHANGES AS ARE NECESSARY TO CLARIFY CERTAIN PROVISIONS OF THE ACCOUNTABILITY AND PERFORMANCE MANAGEMENT ORDINANCE (COUNCILOR MAESTAS AND COUNCILOR IVES). (LIZA KERR AND KELLEY BRENNAN) Committee Review: Audit Committee (approved) 03/04/15; City Council (request to publish) 03/25/15; and City Council (public hearing) 04/29/15. Fiscal Impact – Yes**

Councilor Lindell said in theory she feels supportive of this Ordinance. However we just adopted a hotline which has been up and running for 1-2 weeks, and asked how hot the line has been.

Liza Kerr said they have had 4 calls in one week.

Councilor Lindell said we've not been inundated, but we've had some calls. Councilor Lindell said there is a lot in this which she completely agrees. However, she doesn't think she can support this. She said right now we're working on a new budget, and she is unsure about creating a new position at a cost of \$118,000, just prior to going through the budget, and she also is unsure this position is the absolute number one priority in terms of positions that we need in the City. She said, "Considering what we know about our budget situation right now, I feel we should go through that process and see if this is the absolute priority position that we have with the City right now, so I think there is a lot of this Ordinance I would absolutely support, but I just can't right now, until we go through the budget process, support the creation of a new position."

Councilor Rivera said he has some of the same concerns as Councilor Lindell with the cost. He said his other concern is that we just started the Fraud, Waste and Abuse Hotline and we need to give it the time it needs which is a year to figure out where other positions would need to fit in "your program." He said it may be a director position or people under you that help in other ways. He said we all understand and acknowledge that your department needs to grow, that you need help and that you can't do it by yourself. He said where the pieces fall will take time to figure out.

Councilor Rivera continued, "Councilor Maestas, I'm not opposed to this plan, I think it's a good idea. I would rather just wait a little while to figure out where the actual pieces will fit in. So at this time I wouldn't be able to support it, but after some time and some day coming back from the Fraud, Waste and Abuse Hotline, I would probably entertain ideas of where this position and may others may need to fit into the program itself."

Councilor Maestas asked, "Where is the money coming from to pay for this position."

Ms. Kerr said, "I don't think that's necessarily been identified at this time, but I do know that a forensic auditor, there's a lot of work they can do to help identify lost revenue sources, duplicate payments in Accounts Payable. If we do an audit of Accounts Payable, that's a common audit that a forensic auditor would do. You can identify duplicate payment made to vendors and request the money back. That would be one example of many ways that we could recoup money. And just loss identification. If there is a situation where is an inefficiency, where we've identified a situation where fraud might be occurring and we stop the fraud, we may not be able to recover it, but we keep it from getting worse."

Councilor Maestas said this is a culmination on one year's work by staff, noting the initial approach was to adopt a Resolution of establishing an Inspector General position to really have the separation within the City to objectively and timely investigate fraud, waste and abuse in the City. He thinks we have all the parts with the exception of the investigation part, and this fraud investigator is just that part. He said when we looked at the success of inspector general in other cities, those positions more paid for themselves several times over.

Councilor Maestas continued saying looking at this as an additional FTE isn't looking at the big picture in the potential of what this position could be. He said having such a position will cause more employees to come forward with allegations of fraud, waste and abuse now knowing there is such a position. It won't get bogged down in delays. There will be no conflicts of interest associated with any supervisor of employees that could be involved.

Councilor Maestas continued, "This sends a strong message that we are serious about being strong stewards of taxpayer money. I think every city that has had an inspector general has done very well. And not just cost recovery, but for investigating fraud. It really is going to help us to improve our programs as well. Obviously if we have programs, whether it's the nature of the program or the oversight, if it's open to tendencies of fraud, waste and abuse, this position can investigate it, find out who is at fault, and improve the very process that led to the fraud, waste and abuse. It's a mechanism to continually improve our performance, our processes. It's a position that can pay for itself. And again, I think we always know if the taxpayers care about anything, it's how well we care about their money. I think this is the missing piece of the entire fraud, waste and abuse program. I think just loss prevention alone will help us immensely."

Councilor Maestas continued, saying in every audit, there typically are problems with internal controls. And a position like this is a part of the entire department, is going to minimize any kind of audit findings associated with internal controls. To institutionalize this kind of investigative focus in a department will really improve our internal controls going forward. He said these are the kinds of positions that pay for themselves. Staff has done a lot of work. The Audit Committee has gone through the entire Ordinance and signed off on the changes. He said there is no point of delaying this, and "this is going to come up in the budget hearings obviously. It's going to be in the budget. The time is here, and we're starting budget hearings in April. I say let's approve this, and if you can't find the appropriation then fine, we won't implement it." He said he is willing to take up the debate during the budget hearings.

Councilor Rivera said when new positions are created there usually are other areas that need to be figured out as well. For example office space, computer, office supplies, and none of that is in here, it is just personnel. He asked if there are licenses associated with new personnel, or any new contracts and vehicle requirements.

Ms. Kerr said, "What we have now will be adequate for an additional person. There is also an additional space connected to my office, or right there, they're considering using for another project for a short amount of time, but we potentially could use that for this person as well, just migrate them into that space when the other project is completed. The question of needing a computer and that type of equipment. As far as additional contracts or anything like that, I don't think so. I'm looking for somebody that's a certified forensic auditor, so they will come with those credentials, and bring that with them. I'm not looking for somebody that we need to train to do that type of work. I'm looking for somebody that already has the certification and has already paid for that, so that's a given. As far as a car goes, there's a motor pool now that is available if somebody needs a car. Does that answer your question."

Councilor Rivera asked for the cost of a desk top and laptop computers.

Ms. Kerr said it would be under \$500 for any of that type of stuff. If they needed a laptop it would be less than \$500, and a desktop would be even less than that, depending on where you buy it.

Councilor Maestas said we just approved a contract for independent investigations, very similar to what this position would be doing, Human Resources, which was well over 6 figures. He said, "Internal Affairs with our Police Department, if we had to quantify what it cost them to do independent internal affairs investigations it would far exceed the estimated fiscal impact for this position." He said this gives the opportunity to contract out and have person in-house and responding to whatever comes up. He said, "You know that procurement is not as nimble when there is somebody in house to respond to some of these investigations."

Councilor Rivera asked Councilor Maestas if he heard him say that part of this means you're doing away with the Police Internal Affairs.

Councilor Maestas said, "No. What I'm saying is the cost of doing similar independent investigations for the P.D. probably exceeds the fiscal impact of this position. And I made the point that H.R. does its own independent investigations and we contracted that out for 6 figures, so I think we've been there and I think this is a bargain compared to contracting those kinds of services out."

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

DISCUSSION: Councilor Ives said he will be brief, and asked to join as a cosponsor of this bill. He said this would leverage our ability to get ahead of issues where there are inefficiencies, such as the parking tickets where we had millions of dollars uncollected over an extended period time, by having capable staff to look at those issues, bring them to our attention in timely fashion and be sure we address them.

Chair Dominguez said this creates a new department.

Ms. Kerr said she believes it just changes the name of the Internal Audit Department to the Audit Accountability and Performance Management Department.

Chair Dominguez asked who would the new position respond and report to.

Ms. Kerr said it would be the same, with the same controls to be an independent position. She said, "Right now, the way I do my reporting is administratively to the City Manager, and then I report to you guys and also to the Audit Committee, so there's a three-prong approach to get that independence."

Chair Dominguez asked who the Forensic Auditor will be reporting to, and Ms. Kerr said the position would be reporting to her.

Chair Dominguez said, "This person has autonomy just via that relationship from management."

Ms. Kerr said yes, absolutely.

Chair Dominguez asked if the City Manager has approved this proposal.

Ms. Kerr said, "Not that I know of."

Chair Dominguez said, "The reason I ask is, if we approve this as is, we're basically mandating to the City Manager to create a position. I'm not necessarily opposed to the position, but I would rather have a discussion about that in the context of the entire budget. Essentially, if we're going to create this position, our expenses will increase, right. Or, if we are going to take another position from another department and do some sort of reorganization, where is that going to come from. Those are some of the questions I would like answered before this gets approved."

Chair Dominguez continued, "Typically, whenever we do these sorts of things, it is in the context of approving a full budget. At least, that's the way we've done it in the past. When I did the Parks & Recreation Department last year, I brought that up at budget time and had that consideration at budget. The majority of the Finance Committee has said they support the context in the need, I shouldn't say need, and I don't want to speak to them, but the importance of the Committee addressing this."

Councilor Maestas said, "Just on point, I think there is an example where we do adopt a budget without secured revenues, and I think it's in Economic Development. We just passed an amendment approving revenues to pay for the remainder of the program. So this isn't precedent setting. I think we had 90 unfunded mandates through Resolutions going back 3-4 years. And so this is not unlike the practice of this Governing Body or approval of certain programs during the budget process that didn't have secured revenues."

Councilor Dominguez asked, "Are we going to increase our expenses with this position."

Councilor Maestas said everything is subject to an appropriation.

FRIENDLY AMENDMENT: Chair Dominguez proposed to amend the motion to add that this position is subject to an appropriation at the budget hearing. **THE AMENDMENT WAS FRIENDLY TO THE SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

CONTINUATION OF DISCUSSION ON THE MOTION, AS AMENDED: Chair Dominguez said what is all comes down to is whether we can afford it. He said, "On one hand can we afford not to, right, but on the other hand can we afford it when we talk about priorities. Another position may have a higher priority, relative to..... as Councilor Ives said, it would have been good to have this position some time ago, but we'll have that discussion for priorities." He asked Councilor Maestas if he is okay with that.

Councilor Maestas said yes and this is a lesson learned.

Councilor Lindell asked how this works, noting it will go to Council for public hearing on March 29th and we won't be complete with our budget by then. She asked if it will go forward with the amendment. She said, "What we're doing is essentially approving this in concept, but unless we find the appropriation for it in our budgeting, we won't have this position."

Chair Dominguez said, "That's essentially what it means."

Councilor Lindell asked, "Is that your understanding Councilor Maestas?" Councilor Maestas said, "Yes."

Councilor Rivera said assuming this isn't funded during the budget session, we in essence have created a position. So this creates a position and leaves it as a vacant, unfunded position, which is something that has been a huge topic of discussion with the Finance Committee for the past 3 months, talking about vacant positions, getting rid of them. So now we're creating another vacant position that stays on the books until it is funded or done away with.

Chair Dominguez sees it as the position wouldn't get created unless there was an appropriation for the position. He doesn't want to create a position, as an unfunded shell. His preference is to determine through the budget process whether we can fund this position, and if so it is created, but not simply to create a position. We would actually have to fund it in order to be "quote unquote created."

Ms. Byers suggested a possible amendment on page 17, where it talks about Review and Reporting, and it says, "This Ordinance shall be reviewed by the Governing Body within one year of a forensic auditor being employed by the City." Ms. Byers suggest, "I would recommend or suggest putting in a appropriations paragraph saying unless sufficient appropriation is made the position will not be implemented," or something to that effect. This is for the forensic auditor portion of this, commenting the Ordinance also contains other changes to clarify other provisions. This isn't just about a forensic auditor, so her suggestion is specifically about the forensic auditor position.

RESTATEMENT OF THE MOTION, AS AMENDED: Councilor Maestas said, "We moved for approval, but with the proviso that the Fraud Investigator Position be created and funded, subject to appropriations during the budget hearing process."

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

20. **REQUEST FOR APPROVAL OF AN ORDINANCE RELATING TO THE SINGLE-USE CARRYOUT BAG ORDINANCE, SECTION 21-8 SFCC 1987; AMENDING SUBSECTION 21-8.1 TO MODIFY THE LEGISLATIVE FINDINGS RELATED TO PAPER GROCERY BAGS; AMENDING SUBSECTION 21-8.4 TO ESTABLISH THE REQUIREMENT THAT RETAIL ESTABLISHMENTS COLLECT A PAPER GROCERY BAG CHARGE FOR EACH PAPER GROCERY BAG PROVIDED TO CUSTOMERS; AMENDING SUBSECTION 21-8.6 TO ESTABLISH A 60-DAY IMPLEMENTATION PERIOD; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY TO CARRY OUT THE PURPOSE OF THIS ORDINANCE (COUNCILORS IVE AND, LINDELL AND RIVERA). (JOHN ALEJANDRO) Committee Review: City Council (Request to publish) 03/25/15; Public Utilities Committee (scheduled) 04/01/15; City Business & Quality of Life Committee (scheduled) 04/08/15; and City Council (public hearing) 04/29/15. Fiscal Impact – Yes.**

Councilor Trujillo said he thought we weren't going to hear this anymore, but guesses something has happened. He said he understands what happened, saying when Geno Zamora was City Attorney he said this was legal and we could do this. And then Kelley revisited it and said it was an illegal tax. He said, "That's how I've always felt, this is an illegal tax. What has changed. Why are we able to bring this before the Council when technically, the provision when it passed 1½ years ago it was said we couldn't."

John Alejandro said, "Through my discussions with the City Attorney's Office, the original wording of the Ordinance that referred to the fee was found to be written such that it could be construed as a tax, and so that's why it was removed. On further review by the City Attorney's Office, new language was discovered that could be inserted into the Ordinance so it was written into the Ordinance as a service fee. A service fee meaning that the amount of money associated with charging the consumer a very small portion of that amount could be retained by the retailer, but only the amount of money it would take for them to report funds to the City. And so, under that language which is in the new Ordinance, the service fee address the question of tax versus service fee due to the retention of a small amount of money on that fee."

Councilor Trujillo said, "What I'm seeing here is that the retailer would get 1¢ and the City would retain 9¢. Correct."

Mr. Alejandro said, "Correct."

Councilor Trujillo asked, "What is this 9¢ going to go for."

Mr. Alejandro said, "The recommendation that is written into the Ordinance is based on the Sustainable Santa Fe Commission's survey report, and it would go basically to 3 things: Purchase and distribution of additional reusable bags to the community. Last time around, I believe 20,000 reusable bags were given into the community. I believe that amount, if not more, would be used again to distribute reusable bags into the community. The second thing would be to provide educational programming in the community to make members of the community aware of recycling responsibility, benefits of recycling and that type of thing. The third would be to identify and administer an environmental services program that would benefit the community as a whole."

Councilor Trujillo asked Mr. Alejandro asked if any businesses currently are charging for paper bags.

Mr. Alejandro said yes, from personal experience, he knows of one if not a handful throughout the City.

Councilor Trujillo asked if they are charging 10¢ per bag.

Mr. Alejandro said, "Yes. And if I may editorialize, it was just based on my observations based on where I shop, they are, in certain specific areas of the City."

Councilor Trujillo said, "Well my ten cents on this. I still consider this an illegal tax. When this was first brought before the Council, the goal was to get rid of plastic bags, and it didn't get all the plastic bags. That's what I've kept on saying, has this really truly been a plastic bag ban in the entire City. The dry cleaners, those on the Plaza think they don't fall under that law. This was a plastic bag ban and this is why I see this as an illegal tax. I've talked to a lot of constituents, those on fixed incomes with 5 bags of groceries, that's initially 50¢. That accumulates over the year. The goal was to get rid of the plastic bags, you got some of them, but the initial goal of this Ordinance was to get the paper bags, not 10¢. And I still believe this is an illegal tax."

Councilor Trujillo continued, "I don't understand why the City Attorney really is circumventing this and saying, hey, it's okay now, because we're going to buy more bags. Well, guess what we bought \$20,000 worth of bags last time. Are people using them, I don't know. I really don't. I carry my bags, I do that, but there have been times I've forgotten my bags, and luckily I've been able to pay. One of my concerns is, are we creating more of problem. We talk about plastic bags, but the thing I'm hear from a lot of constituents here in Santa Fe, well guess what, we just created another problem, paper. Instead of synthetic plastic, now we're killing more trees."

Councilor Trujillo continued, "I guess it's a balancing act. Has this really done good in this community. We're having a discussion in a few weeks dealing with miniatures, plastic and all that stuff. This is the same thing. It's a trash issue. I still see plastic bags when I shop, I buy cereal. Guess what, it's packaged in a box, but guess what's in the box, a plastic bag. So we haven't really gotten rid of the plastic bags, the plastic are here. I think they are reusable. In my house they are. To line the trash, pick up dog poop, pick up weeds. They're reusable in my household and I feel a lot of constituents in Santa Fe feel the same way too.

Councilor Trujillo continued, "So, I just want to be on record as to the reason I do not support this. I do believe its an illegal tax, and that wasn't the goal of this Ordinance to tax people in this community. So I give it to you John."

Chair Dominguez said his question to Mr. Alejandro, as the environmental person, is what is the benefit of not allowing plastic bags in our community, and has it made an impact. I think that's the question Councilor Trujillo was trying to get to."

Councilor Trujillo said, "No. What is the benefit of charging 10¢. "

Chair Dominguez said, "What's the benefit of charging 10¢, and the difference between paper and plastic."

Mr. Alejandro said, "The benefits to not allowing plastic bags to enter the environment are multiple. To many of the points you made Councilman Trujillo, once a plastic bag enters into the environment and not into the proper waste stream channel, it takes years for the plastic bag to degrade. I think it goes with saying many of us have often seen plastic bags in trees or in the arroyos, or even floating around in some instances just around town. The life span of a plastic bag is years, upon years, upon years. The overall intent of the original Ordinance was to get rid of plastic bags and to remove them from the environment,

which was accomplished vis a vis the bag ban survey report from the Sustainable Santa Fe Commission, that was accomplished in the sense that plastic bags were no longer being given at point of purchase and are now being replaced by paper bags. In that sense, it stands to reason that a reduction of plastic bags in the environment will be seen over time, given that they're not being available at the point of purchase any longer."

Mr. Alejandro continued, "When it comes to paper bags, however, much like plastic bags, I should note, the content of the paper is made up of anywhere from 10 to 35 to 40% of recyclable materials, and plastic bags are as well. The benefit to having paper bags versus plastic bags, is I believe they are more readily available to be recycled at recycling centers, much like newspapers and cardboard are. The benefit to having a service fee imposed, is I think a question of consistency now."

Mr. Alejandro continued, "There are stores that currently are charging anywhere between 5¢ to 10¢ for a paper bag. That has been applied evenly throughout the community. I think consistency is one thing when it comes to assessing a service fee across the board. Everyone understands that this is what the law says and it's going to be applied evenly amongst everyone. Even the retailers that are providing single use bags for clothing. Under the definition in the Ordinance if you look at, I forget the exact section, the definition of paper bag as written, includes the grocery store size shopping bag. Anything smaller than that, the service fee does not apply. So take out restaurants and those types of entities, small grocers that use the smaller paper bags would be exempt under this one. It's the large paper bags that are typically used for grocery shopping."

Chair Dominguez asked if the environmental impact of those exceptions is less. He said, "In other words, did you just say some restaurants would be exempt from the Ordinance?"

Mr. Alejandro said, "That's correct, given the Ordinance and the definition of paper and plastic bags, nothing would be changed with this specific ordinance. So what that means is that plastic bags of a certain size would still be available to the public for restaurant take-outs, subway sandwiches and what-not, and then smaller size paper bags would be exempt from the service fee. Under the definition of paper bag, we're talking about a standard grocery store size grocery bag or larger."

Mr. Alejandro said, "I had one additional point in terms of the service fee. The second benefit to the service fee would be, right now, under the existing Ordinance, there is no public benefit to anyone for the fees that are being charged for paper bags. The Ordinance here would rectify that. It would consistently apply the 10¢ service fee across the board to everyone in the City and then a public benefit would be derived from that fee itself, which would be applied to everyone throughout the community, depending on the environmental service program that would be established in addition to the reasonable cloth bags that would be given out again."

Councilor Dominguez asked the Assistant City Attorney if she would like to comment.

Teresa Gheen, Assistant City Attorney, said, "Kelley Brennan extends her apologies for not being here today, she had an appointment she could not miss."

Chair Dominguez asked, "So is this an illegal tax."

Ms. Gheen said, "Kelley Brennan's opinion is that this not an illegal tax, that this is a fee which is legal and she is comfortable with the Ordinance as it is written."

Chair Dominguez asked, "What makes it not a legal tax or any sort of tax."

Ms. Gheen said, "I will have to punt that question, because I was not fully briefed on that, but Kelley's message was that it is an appropriate fee as opposed to an illegal tax."

Chair Dominguez asked Ms. Byers to comment.

Melissa Byers said, "It is my recollection, before the Ordinance mandated the paper bag fee of 10¢, and in that Ordinance, we did not require the business to turn money back to the City, so it was Kelley's opinion that was an illegal tax because the City is not getting anything. The way this is written that we are mandating the businesses to collect 10¢. However, they get to keep a penny of the 10¢ for administrative purpose to turn over the money to the City. So I think that's the distinction. Before, they kept all of the 10¢, so we were mandating that they tax people and they got to keep the money. In this case the penny that they collect is used for their administrative handling of funds to the City."

Chair Dominguez said, "Essentially, before, money was being collected that was not being used for a public purpose."

Ms. Byers said that is correct. It wasn't being turned over to the City at all.

Responding to the Chair, Ms. Byers said, "Yes. It will be administered by the business and they will turn over 9¢ to the City and we'll use that to educate the public and purchase reusable bags."

Chair Dominguez said he has heard nothing that will keep him from supporting the Ordinance, noting he wants to "make sure we keep the substance and not just chime-in on what's politically appealing, but that we have an Ordinance with substance." He said, as he's said before, "The road to hell is paved with good intentions, and that's what you have to go through sometimes to make sure you do the right thing."

Councilor Maestas said in general, he is reluctantly in support of this, noting he inherited the plastic bag ban, but understands without the disincentive it won't work, and this is a disincentive. He reluctantly supports it because it is an optional fee. All people have to do is bring reusable bags to the grocery store and they don't pay the fee. It is based on the person's option. It's all about behavior modification. He said the initial funds are substantial, but trails-off after people establish the habit of bringing reusable bags. He sees the fee being imposed for a very short period time, and the revenues will than trail-off and people will bring their reusable bags. He asked how we will collect the fee, what is the new mechanism to collect the revenues, noting we normally do not collect any fees directly from retailers. He noted the FIR shows \$50,000 total to create a new mechanism. He believes it will cost more than \$50,000.

Mr. Alejandro said he would like to clarify the FIR. The personnel charges and operating costs in FY 14/15, the \$13,000 for personnel and other operating costs at \$38,000, totals \$51,000, and \$7,000 for FY 15/16 – these are costs associated with public education and awareness programs about the paper bag fee in addition to the funds used to purchase reusable bags.

Mr. Alejandro continued, "To your question, specifically, Councilor Maestas, given that I would have to give you a specific answer to that question in terms of how the City would then collect the fee that has been imposed, I do know retailers would be required, much like they do on the GRT, to collect, account and report that amount to the City. But the process to you and myself, I can't definitively give you an answer to that process."

Councilor Maestas said essentially, we're becoming a new fiscal agent for the revenues for this fee, and "I know it's not \$50,000, and there's no way that the costs associated with collecting this revenue is going to go down. The revenues may go down, but the administrative effort required to collect this fee on an ongoing basis is going to be much more substantial than \$50,000. And you show the fiscal impact going down to \$7,000 next year. I think we're not including all those overhead costs associated with collecting revenue, and creating a new collection process. A direct collection process from retailers. That's my first issue with this. My second is how we enforce this. There's no requirement to have retailers register. A retailer needs to register with the City and say we do dispense paper bags. I think there needs to be a registration process as a part of this."

Councilor Maestas reiterated the enforcement piece is missing, the collection piece is missing, and there needs to be a formal identification and registration process for retailers. These are his major issues. His smaller issues have to do with charging 10¢. He said he thought the Sustainability Commission gave us a range. He said we need to be very careful to not create a lot of programs, because in 3-5 years, the revenues will trail-off. He would hate for us to create more, bigger government and then have to reduce the size when the revenues no longer are coming in. He asked, "Why not 5¢."

Mr. Alejandro said the Sustainable Santa Fe Commission looked at other cities and it came up with 10¢ as being the most appropriate and modest amount, noting the range of cities they surveyed charged 5¢ to 25¢.

Councilor Maestas said when he saw the estimate of revenue generated annually of \$336,000, he can't see us giving away bags and launching a broader public education campaign and spending that much money. He doesn't think we need that much money, and we can get by with less and still achieve the desired results. He thinks the 10¢ is excessive and we could charge 5¢, do the same things with the same desired effect.

Councilor Maestas thinks we should do what Dallas did in calling its fee an environmental fee, and thinks we should consider renaming ours, because it implies the intent of this whole plastic bag ban and disincentive fee for paper bags. He would urge the sponsors to consider this.

Councilor Maestas said Dallas exempted the fee on the bag from gross receipts tax, and this Ordinance is silent. He would like to see the exemption of sales tax on that fee. He summarized his proposed amendments: add language on enforcement, rename the service fee the environmental fee, exempt the fee from sales tax and require that businesses dispensing paper bags be registered.

Chair Dominguez said, if approved, there is someone from the City Attorney's Office that can answer some of the questions by the time it goes to the City Council. He said Councilor Maestas's proposed amendments probably will be acceptable, but there needs to be clarification on Councilor Maestas's questions by the time it gets to Council.

Councilor Maestas said the biggest issue is the fiscal impact and a description of the collection process, noting this is precedent setting and we don't have a mechanism like this. He pointed out that there is a considerable overhead involved in being a fiscal agent which he believes goes far 50,000. We can do a cost/allocation study once we identify how to collect revenues, which he believes will be far beyond \$50,000.

Chair Dominguez reiterated the overall overarching theme and purpose is to change community norms.

Councilor Maestas said we had a lengthy discussion on fiscal impact, and we shouldn't lose that and get caught up in the concept.

Councilor Ives said with regard to the fee, "I would note for the record here today that when this came forward, it came forward with a fee attached so there's nothing new there. And that was always intended by Business & Quality of Life, the primary Committee which this grew out of. And it was specifically because they wanted to make sure that we did have impact on behavior that would eliminate the use of plastic bags and put people in the context of using reusable bags so we could cut down on our waste streams, because as a City we do such a bag job at recycling. So it's very much an effort to do exactly the kinds of things we are interested in doing on the environmental side of the City."

Councilor Ives continued, saying the City Attorney's Office now agrees that, based on the redrafted provisions, it now constitutes a fee instead of a tax. He doesn't doubt that we can have the additional information from the City Attorney's office, if needed, on that particular point.

Councilor Ives said, regarding the registration issue, all businesses register with the City every year and get business licenses. He said Councilor Maestas had an efficient means of testing business compliance with the Living Wage which was a checkbox on the business registration form where people checked indicating and certifying that they are in compliance with the Living Wage Ordinance. He said this kind of registration is easy and can be used for something like this as well. He said they would be happy to bring forward an additional amendment for a similar checkbox for business registration, so people are required to self-identify and self-regulate in terms of whether or not they sell paper bags and are subject to this reporting.

Councilor Ives continued saying, with regard to compliance, one of the reasons we were talking about having a new forensic auditor position is to ensure compliance with City Ordinances. He said with regard to terminology he has no problem in calling it an environmental fee, noting the purpose is toward the environmental side.

Councilor Ives said, with regard to the sales tax issue, he is unsure the City has any say in exempting people from sales tax, and that might have to come from the State level.

Councilor Ives said regarding the fiscal impact, "Again, because we can build very easily on these enforcement mechanisms, I don't think the expenditure is going to be significant. The work that is to be done with the fee is being funded by the fee, and goal is, and the hopeful impact is that once imposed, people's behavior will change, they'll stop getting paper bags and start bringing reusable bags to the stores for their goods. And we'll reduce those waste streams, we'll reduce collection of the fee and the best thing that could happen is that we eliminate any fees needing to be collected at all, so that would be a wonderful thing. So I'm not sure the fiscal impact is necessarily as egregious as you think it might be."

Councilor Ives continued saying most other cities are charging fees, of 10¢ or 25¢ and knows of no municipalities with a fee of less than 10¢. This fee has been deemed as reasonable and sufficient to accomplish their purpose. He agrees that the 10¢ measure is reasonable and has been proved to have a positive impact on behavior in other municipalities.

Councilor Maestas asked about potential financial management problems at audit time. He asked if we are creating another problem because we still can't mandate collections for the unpaid Lodgers' Taxes. He asked Mr. Rodriguez to comment on the collections process.

Mr. Rodriguez said, "It's important to note that every fee we collect is different in terms of the dynamics, so we would adapt a query to this fee if you pass it. We do what is necessary to enforce the spirit of the law. If it turned out there was great cooperation, obviously we wouldn't expend much effort and we would be working with the Council to see how hard we would go after people to make sure we collected so we are all in agreement as to just how far it goes. And understanding that the objective here is to get the practice of paper bags to go down. We'll be watching that as well. If we got to that point earlier than later, we will be coming back to you and recommending to do away with the fee because bags are things of the past."

Mr. Rodriguez continued, "Now exactly how much it costs, I think it depends on how hard you would want to get. There is no staff person identified now that is dedicated to that. The first thing would be to get the public educated on this, work through our license permitting process to make sure people are aware, and then occasionally sample to see if there was good compliance. If we saw it was working, we wouldn't be coming back to recommend to you we need any more staff."

Councilor Maestas asked the source of the 60 bags per person, noting it was the basis of the estimate for revenue projections.

Mr. Alejandro noted stores in Santa Fe don't provide data related to annual bag use per person, so he used the data from the City of Boulder who had a disincentive fee in place and then applied our census data, eliminating children, and multiplied that times 9¢. He noted Boulder does track annually the number of bags used per person and by the stores.

Councilor Rivera said, "I have been in support of this the entire time. In doing my own research and looking at it more from the environmental impact for future generations, and in how a bag decomposes and the manufacturing of a plastic bags, the process for that and the amount of water it takes. He said in doing his research he also learned that paper bags isn't much better and it also has a huge environmental impact to construct a paper bag. Again, changing those behaviors is really the key here."

MOTION: Councilor Rivera moved, seconded by Councilor Lindell, to approve this request, with direction to staff to change the language from a "service fee" to an "environmental fee."

DISCUSSION: Chair Dominguez said there needs to be direction to staff to answer some of Councilor Maestas's specific issues.

Councilor Maestas said, "I am going to withhold my support until I see a revision. And I'm willing to work with staff to find out more about how this collection process is going to be done, and the enforcement process, if any. If there's none, that's fine. But we definitely have to collect the revenues. I definitely need to find out more about that and make sure the FIR is accurate, in terms of identifying the costs associated with collecting the revenues."

Councilor Ives said, "Of course Section 21-8.4(B)(2) does provide that the remainder of the fee collected, minus the portion retained by the store for its administration of the program, shall be transmitted to the City of Santa Fe. So the collection mechanism is imposed and required of the stores, but we certainly can work to clarify that process, but it does exist. And it is as simply stated..."

Councilor Maestas said, "Then on that point, what I'd like for staff to do, because we're asking for staff direction, is to calculate the curve for Santa Fe showing when the revenues would trail off. Because I want to make sure that when the revenues trail off there is enough funding to cover at least the administrative costs associated with collecting the revenues."

Mr. Alejandro said he will do so.

VOTE: The motion as amended, was approved on the following Roll Call vote:

For: Councilor Lindell and Councilor Rivera, and Chair Dominguez.

Against: Councilor Trujillo and Councilor Maestas

The resulting vote was a tie, with the Chair voting in favor to break the tie.

Explaining his vote: Councilor Rivera said, "Yes, and can you add me as a sponsor."

21. **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). (CHRIS SANCHEZ) Committee Review: Public Works Committee (approved) 02/23/15; Finance Committee (postponed) 03/02/15; Mayor's Youth Advisory Board (approved) 03/05/15; City Council (request to publish) 03/25/15; and City Council (public hearing) 04/29/15. Fiscal Impact – Yes.**

An amendment sheet with amendments proposed by Councilor Carmichael Dominguez, is incorporated herewith to these minutes as Exhibit "2."

Councilor Maestas said there is an amendment from the Chair. He said the Santa Fe Housing Authority has the Hopewell-Mann Community Center and it meets a lot of the criteria in the Resolution, noting the desire is to create a teen center in south Santa Fe. He said, "This amendment addresses my need to have staff look at the viability of the Hopewell Community Center as a possible location for a teen center. The only thing the amendment didn't include is to change the criteria on page 2, unless this amendment is exclusive of the criteria at the bottom of page 2, line 21, because it is very specific to locating the teen center within walking distance of a comprehensive high school. Chris, do you think Hopewell-Mann Community Center can meet all of the criteria, because it's pretty specific. It says, 'It should meet the following criteria.' I want to make sure we don't exclude some of these sites we're adding in this Resolution."

Chair Dominguez said he did a quick map, and essentially, Hopewell-Mann within walking distance of Santa Fe High School. It's well within a one-mile radius of Santa Fe High. St. Michael's drive is an obstacle.

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

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

23. DISCUSSION ON BUDGET FOLLOW-UP:

A. UPDATE ON HEALTH PLAN AND DESIGN OF OPTIONS FOR SAVINGS. (SANDRA PEREZ)

Ms. Perez said, "I am before you tonight to give you an update on our progress related to the direction we received from you a few weeks back regarding our health insurance plan and the different

savings options, and how we were doing on that. The discussion is to be before you on March 30th with a variety of options for savings to the Plan. You gave us very specific direction on things to target, and things to get our hands around. I sent an email update on that to kind of capture what that direction was back to you on February 20th, and we sent the same information to our representatives at Aon who are helping us do this calculation and all of these different scenarios and options."

Mr. Perez continued, "Since that time we've been in regular contact with Todd Burley from Aon. As of March 12, 2015, at 4:08 p.m., we are now narrowed down to where we can start putting these options into form so you can do the choices. There are 7 different options so far, just in answering each one of the different tasks you gave us which were: maintaining fund balance level over the next 5 years with no benefit changes, carving out \$745,000 up to \$850,000 in benefit changes while remaining with a fund balance of \$2 million through 17/18. There were also options related to if the City could not continue to increase its own contributions at the rate of \$750,000, just stay at the premium sharing, roll that into some sort of benefit savings, and so we have some options relating to that, while also maintaining the \$2 million balance. And if the City doesn't do any contribution increases at all how do we maintain the \$2 million balance at the end of 5 years. And that gets to the more industry standards Councilor Maestas was talking about and how we would go through that."

Mr. Perez continued, "We now have back the general idea of what those 5-year projection sheets look like in these different 7 options. We're carving through those. Our plan is to categorize each of those more clearly and bring all of those for you mainly for informational purposes, but then we will narrow down to the 3-5, and I think the common conclusion was give us only 3 options in which to type and choose from and make some final decisions to forward to the Governing Body."

Ms. Perez continued, "So in addition to just the 5-year projection sheets where they give us rough numbers up front, they have also given us ideas behind the scenes on how we accomplish the \$850,000 savings, the \$1,700,000, the \$3,600,000 savings. Vicki and I are taking all of these *a la carte* menu items and carving them together to add up to how do we reach the different savings. As an example, if we change to the highest extreme co-pay for primary care physicians up to \$30, specialists and urgent care is up to \$50 each, that would be a projected annual savings of \$480,000. Add to that the elimination of the massage therapy benefit, that's another \$400,000 savings and you're at \$880,000 with just that. So the different options they've given us, from varieties of co-pay, leave no co-pay unchanged, to going to higher copays for some of the more expensive tests and such, we're going to piece together and see what we can do."

Ms. Perez continued, "I think one of the goals was leave no copay unchanged, but go after those bigger ticket items with the higher copays, leaving primary care physicians and specialists and urgent care at a more moderate level and change and not such a dramatic change. So we have quite a bit still to carve out and work through. In addition to that, we are anticipating we will have these options put together by Monday or Tuesday at the latest. So we would ask for an extension to submit our package to the Finance Department for the Committee's packet that would be due this Friday. We are in RFP interviews for the health plan all day every day this week and those end on Friday. So for us to have a good packet put together for the Finance Committee I really need until next Tuesday most likely to get that in to you. It will be well put together. It's just a matter of passing the information on to the Committee."

Ms. Perez continued, "In addition to that, we need to meet back with the Group Insurance Advisory Committee to lay out these options before them. We will bring back to you their thoughts about it, how those votes were: in favor, against, semi-in favor, semi-against, whatever that looks like. We also want to do the employees survey, so by the time we are before the Committee on March 30th, we will have all of that information back from the employee surveys. We will have time to get the employee surveys back, so when it goes to the Governing Body on April 8th, we will have a complete packet and we'll know how everybody stayed."

Ms. Perez continued, "Maybe in the Employee Surveys, Councilor Trujillo, we will have the portion back we do have and we'll know how many we might still have outstanding. Matt Ross out of the PIO's office is going to help us with that distribution and those announcements. We'll lay out the different options between the different plans and say these are the things being discussed and considered, and the Finance Committee is seeking your input as well. That's not to undermine any of the things the unions will be doing with their own membership. It's simply to compliment what they're doing to insure that all the rest of the employees who may not be represented by a union, also have a chance to review these and have some input for your consideration."

Ms. Perez said, "We are well on task with it. Aon has been a big help in helping to pull these numbers together, and now it's just Vicki and I continuing to sharpen our pencils and put it on paper."

Chair Dominguez said, "Then you will come back with final options on March 30, 2015, it will be voted on by the Council on April 8, 2015. So the next meeting after April 8th, will be April 29, 2015, and we will be well into our budget discussions."

Ms. Perez said they will be back before this Committee on April 13, 2015, with the final recommendation for carriers we're recommending to contract with for the next year's health plan. She said April 8th is the Governing Body meeting for approval of plan design changes, April 13th it is before Finance for the carrier choice, and April 29th it is before the Governing Body for the choice of carrier. She said they have let everyone know that bid the medical insurance that plan design changes will be coming and they will be informed of those. She said they were told in advance the different things that are being considered, and when they submitted the RFP and proposals they were to identify which ones, if any, could have an impact on their administrative fees. Those interviews start tomorrow afternoon with the medical folks and we're going to ask them at the interviews about that. She said we've allowed 3 hours for each interview with each one of the 4 bidders to go through this very thoroughly about what things might be under consideration and what impact any of those would have."

Chair Dominguez asked Mr. Rodarte if he is okay with the extension for the packet and he said yes.

[Most of Chair Dominguez's remarks here are inaudible because his microphone was turned off]
Chair Dominguez said he doesn't want to be having to make decisions at the last minute.

Robert Rodarte said we have been asking the vendors on a daily basis if they are willing to meet this schedule. He said the only catch we might have is if there is a protest, and they are perfectly within their rights to protest. He said it is a tight schedule, it's doable, but he sees only one thing that could slow it down. He said the 3 hours for the interview really gives us a chance to drill down into their proposal..

Councilor Rivera asked how many of the changes discussed can be implemented by the Council and how many would have to go through the Insurance Benefit Committee.

Ms. Perez said, "I think all of the changes, with the exception of the copays we have to talk about, are really at the discretion of the Finance Committee and Governing Body as a whole. The Insurance Advisory Committee is advisory, and they advise you on what they think are some of the best options, which one they've narrowed down and brought forward. As we discussed and were able to determine earlier, a lot of things that hadn't been brought to the Governing Body were things the Insurance Advisory Committee say they weren't interested in doing. And in the past, what was brought forward were only the things the Committee had thought they were interested in, versus coming to the Governing Body and reporting on, this is what the meeting entailed, this is what was discussed, these were items for savings, none of the Committee through they were viable."

Ms. Perez continued, "And that's what we've committed to with the committee thus far. If we meet and if some of them don't agree with some of the options that are going to be presented, we're going to present that to you. We're not going to present it as if the Committee is all in favor of some of these options, if they're not. We're going to present it as they are – which ones they are in favor of, which ones they're not. Why they're not in favor of them. We'll invite them to come and express some of that."

Ms. Perez continued, "When it gets to the co-pays, those that are in the Fire contract in particular and the Police contract, they're at the table now going through negotiations. The Fire Chief and I are going to speak tomorrow about this. He didn't know where we were with this, so he hasn't introduced anything at the table that I'm aware of, but those are confidential negotiations. I'm not on the team. I'm not aware of what's being discussed, nor should I be. But I am going to go ahead and give the information that we're getting in now, what it's looking like for these options so the negotiating team can start to consider it. If it doesn't make it into the final negotiations, then we still have the contract language as we do now regarding that particular contract for locking-in \$10 copays. We're going to have to figure out from an administrative standpoint as will you all and the Governing Body, what do we do with split co-pays for some of the people and not all the people. Or, we have to think about well if that's the case and these copays hold, what other things then within the plan design would have to change to make up the difference for that cost because those other copays have to change."

Ms. Perez continued, "I would also argue that I think at the time those copays were negotiated, it was long before Affordable Care Act, so we didn't have the guarantee of all the wellness and prevention services locked-in at 100% pay, so there are no copays for those. And I know when we were negotiating and looking at lower copays, we wanted people to go for more preventive care. We wanted them interested in wellness and going on the front end. And if we had smaller copay then people would go and start to use those benefits for that purpose. Now we're beyond that, and preventive care and wellness are 100% paid regardless, we might have an avenue to start discussing some of those copays for all those

different reasons. I'm talking to Chief Litzenberg and Chief Garcia tomorrow. I don't know where either one are in negotiations, but it's something they're going to be aware of and where we are. We'll bring all of that information, in that form,, where they hold, what can be changed and what would have to be negotiated, on the 30th."

Councilor Rivera said then these recommended changes went to the Insurance Advisory Committee and everybody agreed to a specific type of change. He asked, "Does that then have to go their respective collective bargaining groups for approval, or do they have the authority to agree to something like that."

Ms. Perez said, "My understanding is their representation on this Committee is to represent that group, so if they are voting up or down, it is in representation that their group is in agreement or not. So they could say, I generally think they might agree, but I have to take it back and that's how we would report it to you."

Vicki Gage said, "The language in the Fire and Police Union contracts say to the effect that copays will remain the same, or lower, unless those parties agree. But during the Committee meetings, we've had, especially the Fire Representative, they say that they have to take it back to his membership. I don't know if it means for a formal vote, but that he would have to take it back to his membership."

Councilor Rivera asked how long that process has taken – weeks, a month – to get to everybody.

Ms. Gage said, "When we made the decision to increase the copay for the Emergency Room, they spoke to their Union President and they just signed off on it and agreed to it.

Ms. Perez said, "I would also add that during the last exercise when we brought forward the menu of options, we were very clear this is the path we're headed on, so I know they have started their discussions with groups about what we're facing, this is where health care is headed and we're going to have to start talking through these. They were also very clear that in order to get the exercise done, their participation in no way was committing them to agreement with the options presented. So now that we'll be in a more formal state where we're come back to this Committee with formal options on the carve-outs and savings, it will be those options they'll be taking back to their memberships is what I anticipate."

Councilor Rivera said he understands Ms. Perez is leaving.

Ms. Perez said she has decided to retire on May 31, 2015, and she has committed to the City Manager and the new Director, Lynette Trujillo, who will come on Board March 23, 2015, that she will stay on and complete the projects she has started. She wants to see health care through and help Vicki with that through the budget process. She will stay to participate in the budget hearings. However, Ms. Trujillo will take over on a day to day basis in the official management of the Department on March 23rd.

Responding to the Chair, Ms. Perez said Ms. Trujillo has a full background in human resources. She has worked with Santa Fe County and is familiar with municipal and union settings, and has served at the State Level since then, with the Taxation & Revenue Department for 13 years, which is about the size of the City of Santa Fe. She said, "She has the whole textbook under her belt. She'll be a great addition."

Councilor Rivera thanked her for her service to the City.

Chair Dominguez said then you're keeping within all the boundaries we set at the last meeting.

Ms. Perez said, "Yes and then some. Todd has been really good about things, and in putting the pieces together, he's looking at current claims rates, and adjusting for the current numbers."

Chair Dominguez said the last time you reported, you brought us a memo from the Committee.

Ms. Perez said it was from her, related to the Committee's work. She said Vicki Gage is the Chair of the Benefits Committee, and she has been helping lead this work as the City Manager's representative, and the rest of the Committee are members at large as provided by the Ordinance.

Chair Dominguez said, "I want something documented which summarizes the position of the Committee, and that it's not necessarily biased. And I don't know if there is a minority position, they will be given an opportunity to provide that. I just need to be sure we have some sort of official documentation that says it is the Committee's position, and you provide that when it comes time."

Councilor Maestas said thanks to Ms. Perez for her service to the City. He said, "A comment on the indexing of premiums, I really think that has to play into this, because it will stabilize the program. Otherwise, if you fix the contributions, we are going to be making these major, major changes, eliminating benefits, reducing benefits every 2 to 4 years. I think if we add some kind of index to the contributions or the premiums on both sides, it will add greater stability and you'll be tweaking instead of throwing out a benefit like massage therapy. I think employees would like stability in the benefits and copays. And understanding that the index is consistent with the escalating cost of health care."

Ms. Perez will double check that Mr. Burley, but she is fairly sure he has done that.

Chair Dominguez said we can't continue status quo, because we will be broke.

24. OTHER FINANCIAL INFORMATION

A. MONTHLY FINANCIAL REPORT AS OF JANUARY 31, 2015

A copy of *City of Santa Fe Fiscal Year-to-Date Financial Performance Report*, dated January 31, 2015, is incorporated herewith to these minutes as Exhibit "3."

Oscar Rodriguez, Finance Director, presented information from Exhibit "3." Please see Exhibit "3" for specifics of this presentation.

The Board commented and asked questions as follows:

- Councilor Lindell said we projected Airport fees to be \$850,000, and now we're saying they're going to be \$190,000. She asked, "How could our projection be so off, or what has happened that we're 78% below."

Mr. Rodriguez said the methodology we used to project says we look at history and look at the pattern for the year. The Airport could be an anomaly to that methodology, but at this point so little is coming in, if we follow the normal cycle it would be 78% below that. He said, "Staff is aware of this and hopefully next month, we'll be able to change that projection. But part of our job here is just to tell you how things are. We don't take it lightly, no one does."

- Councilor Lindell asked if fees are being collected, or what is the problem.

Mr. Rodriguez said it is a combination of everything, noting a lot of the fees are due and the people who owe them know they are due and the staff is making an effort there. At this stage, we're hoping they will come in.

- Chair Dominguez said perhaps we can use this process to have the Airport come to us, if Councilor Lindell would like, to explain some of these details.
- Councilor Lindell said it would be a good idea..

Andy Hopkins said the Airport projections were based on an ambitious program of expansion, with a large increase in revenues, and that hasn't materialized. He said, "To get to the question that you were asking, Councilor Lindell, about the variance between budget and projections, the budget back when we did it a year ago, Francey Jesson the Director at the time, had submitted quite a robust and an ambitious program of expanding services at the Airport. And anticipating not only a large spike in her expenditures but also a large increase in revenue from airport activity in terms of airlines coming in and adding flights, and for whatever reason that has not materialized. You are looking at the actuals and the projections of the Airport as it has been historically. And the budget, as it turns out, was kind of based on a bit more pie in the sky scenario, if you'll pardon the pun."

- Councilor Rivera said in 13/14, the revenues came in at \$690,000 which is significantly more than what we're anticipating this year end now.

[Mr. Rodriguez's remarks here are inaudible, because he was away from the microphone] Mr. Rodriguez said it's not that expenditures fluctuated that much and went down almost \$200,000, but in terms of revenue they budgeted \$400,000 more than what was there.

- Councilor Rivera said he would like the Airport here to discuss that, because there haven't been many changes to the Airport from 13/14 to present, so it would be nice to know why those revenues are falling.
- Chair Dominguez said he will work with staff to get someone for all these funds here to talk about it, and not just pick on the Airport.
- Councilor Maestas noted that on page 6 it shows the total expenditures for the Airport Fund and salaries and benefits are the two largest ticket items, and those are over budget. He that is an indication of where we need to inquire.
- Chair Dominguez said then in the Lodgers' Tax fund there is \$4.1 million in cash in that fund.

Mr. Rodriguez said yes. He said as you know Lodgers' Tax funds many different things and at this point that's what's there right now. You don't see the savings from the refinancing of the Convention Center Bonds, and that won't happen until later this Spring, but everything else seems to be flowing in pretty strong. He said he will be coming to this Committee to request that you recognize the higher revenue projections, including Lodger's Tax.

- Councilor Rivera said on page 5 of the Report, under expenditures, Community Development Department, the amended budget was roughly \$1.4 million for 14/15. He said they should be at the halfway point, just about.

Mr. Rodriguez said they are roughly half way, but the winter is when expenditures go down, so it's not perfectly half.

- Councilor Rivera said at the halfway point they should be at roughly \$700,000, but they are at \$880,000 with still half a year to go, so you would expect to see another \$700,000 spent, but you're projecting significantly under, only \$300,000 between now and the end of the fiscal year. He asked if this is accurate.

Mr. Rodriguez said yes, reiterating they look at the spending patterns, and in some departments they spike up quite a bit in the summer, and go down quite a bit in the off season as well. Mr. Rodriguez said, "Andy was pointing out here something that we noted in the footnote, which is the year to date includes encumbrances. In other what is spent as well as what they've encumbered, and gives us a better picture of what is coming in the future. We're working with the departments to see what they're going to spend going into the future, and it's pretty clear at this point that we have a very clear picture of the way it looks. If you were to divide by half, for some of these departments you might miss the halfway point a lot."

- Councilor Rivera said it still seems we're undercutting them significantly, commenting we'll see how it plays out. He said he assumes most departments do most of their spending in the first half of the fiscal year.

Mr. Rodriguez said some do, and some don't. In the case of Community Development the reason for the \$300,000 is for contracts which have been budgeted year after year and things didn't work out. He said there are also things such as matches. He said at this point they are fairly confident that those big contracts won't be done.

Mr. Hopkins said, "The first ones you see in the General Fund in the expenditure column, Community Development and Community Services Adm., both with high variances, 22%, a large portion of that is because of the usual pattern. When I mentioned encumbrances before, it's really quite significant. For example, in the Community Development Department, current encumbrances are \$350,000, so out of the \$880,687, only about \$530,000 is actual expenditures. The upshot being that the pattern in these funds tends to be they will encumber the entire amount for the entire year, but when we get to June 30th, maybe half, or a third or three-quarters is spent, but the actual expenditures don't get recorded until the following fiscal year."

- Councilor Rivera said in Human Resources the amended budget was \$831,000, and they're about \$550,000 which is considerably over budget.... it appears they are going to go over. Do we know why these overages occurred.

Mr. Rodriguez said, "Pretty much the H.R. issues, whether contracts or costs associated with personnel throughout the General Fund have just been charged here. So a number of things are appearing here, if assigned to the departments might not appear here. Along with the increased revenue we're going to be coming back soon to ask you to recognize, there will be budget adjustments to these departments if we projecting they will be above or below. The whole purpose of this Report is we stay on top on revenues and if they seem to be high or low, we come back to you and ask for a budget adjustments."

- Councilor Rivera said in Public Works, the administrative division, appears it will be over budget by about \$10,000, and asked if they have sufficient savings in other areas of the budget that it will balance out in the end, and Mr. Rodriguez said that's correct.

B. NEW PROCUREMENT OFFICER SIGN-OFF SHEET

A copy of the proposed *City of Santa Fe Procurement Checklist* is incorporated herewith to these minutes as Exhibit "4."

Mr. Rodriguez said this is a standard check-off sheet to focus on all of the different procurement aspects which comes to you. He said beginning the next meeting, this check-off list will replace the standard cover memo by the Procurement Officer, and he signs at the bottom. This will replace the letter that you usually see. He said this check list will answer questions about the policy aspects of the item before you and the Procurement Officer will be here to answer any questions.

Mr. Rodriguez said the purpose for the new check-off list is to be thorough and consistent as well as to provide education for anyone from the public, the department heads, or anyone who wants to know about the procurement side of an item. They can see why it is there and that everything has been checked off.

Chair Dominguez said then this would be used just for items requiring Council approval, or is this something for every contract..

Mr. Rodriguez said it is primarily for Council approval.

Chair Dominguez said there have been some instances that it comes to us after the fact.

Mr. Rodriguez said, "At least this way, it informs the people who buying, all the things they have to do to keep their file in check. And it informs you and the public, and also the Procurement Officer is able to give everything the same standard of treatment. To answer your question, even for the small one, I guess we haven't thought through that far, but there is a checkoff that says, does it proceed. And so I guess at least some of the very first ones, we can make the lettering a little bit larger."

Chair Dominguez said, "I guess the question is how do we implement the same methodology to those items that don't come before the Governing Body."

Robert Rodarte, Procurement Officer, said, "It actually will work for the smaller purchases also. And a lot of this procurement checklist that I put together is basically derived from best practices that related to transit. Some of you that have been involved in Transit audits and triennials, a lot of this stuff comes from there. To answer your question about the smaller items, in Transit, this is a good practice to do it under \$50,000, because a triennial, they're going to ask you the same questions on y our small purchases just like they do with the largest ones. It would be a good practice for some of these smaller contracts that start at \$30,000 and work their way up, making their way to the thresholds, and we bring them here after that with other competitive processes. These are good things to have there."

Mr. Rodarte continued, "If we use a checklist like this for smaller purchases, if we have items being purchased from a vendor in the same category at water, and it makes its way and somebody else buys something over the other side of town, we're still having a cumulative amount for items that are getting up there close to the threshold. We can have them do these checklists to make sure the competitive process is done with 3 quotes as well as making sure we're not exceeding the amount. The FIR can work on that, as far as what has been spent with a vendor up to that point in that category or with a smaller contract or something like that. You bet, it's a workable thing for smaller as well as larger purchases.

Chair Dominguez said part of the challenge we've had with regard to procurement is timing. He said he finds it interesting, but there's not a date section.

Mr. Rodarte said most of the items related to dates and dollar values will be on the FIR, just like you've been seeing all along. He said that type of information is in the back.

Chair Dominguez said the reasons he brings this up is because sometimes things come before us which are at the last minute, or a part that was skipped. He said if he can incorporate or include a timeline or time frame that has to be followed, that would be helpful.

Councilor Maestas asked if there is a reason why the different criteria are not in chronological order like the solicitation, evaluation and award.

Mr. Rodarte said, "I can do that. Most likely Award should be on the bottom and Solicitation should be on the top. But usually a Committee like this or the Council will look at the end items, like you usually look at when you are approving something. That's why I put Award on top, but it can be moved around."

Councilor Maestas said it would be better for him, and the Chair agreed. He would like some way in the appropriate sections to reference appropriate ordinance or policy. That way whoever is looking at this can see the policy basis for the certain criteria in that phase of the procurement process.

Mr. Rodarte noted in the Solicitation section, he put beginning project and beginning history, because these are the first things the Committee asks. He said all of you want to know if it is on the list for Parks repair, additions. That's the reason he wants to see the history first and then work your way to budget approvals and solicitations.

Mr. Rodarte said a lot of this is based on triennial reviews as well as listening to you over the months.

Councilor Rivera asked if it is appropriate on Disclosures, if a contractor wins an award, where their subcontractors primarily are working out of, what city. Is that an appropriate thing to place on a form.

Mr. Rodarte said yes, and we can do that now and put it on the Contractor Listing form. We have the right to ask where they are from, and he can add that to the current disclosure form used for subcontractors.

Councilor Rivera asked him to do so, saying it would be helpful for him to know where subcontractors are from.

Chair Dominguez thanked Mr. Rodriguez for the information.

C. LONG TERM FINANCIAL PLANNING

A copy of a graph *Accumulated Current Deficits: Deferred Capital Investment, CIP to O&M, Ending Balance, etc.*, is incorporated herewith to these minutes as Exhibit "5."

Mr. Rodriguez noted he sent an email to each of the Councilors with a graph [Exhibit "5"], which is was in response to a question asked by Councilor Maestas, which is what is the big deficit we're looking at. He said what they have is his best effort. He said what isn't in the graph is the loss of Hold Harmless over

time until it reaches \$11 million in the 15th year, unless the Legislature stops the phase out. Deferred maintenance isn't included because it is hard to calculate, although there are methodologies to do that, but that takes a lot of effort.

Mr. Rodriguez reviewed the content of Exhibit "5." Please see Exhibit 5 for specifics of this presentation.

[Chair Dominguez's question is inaudible here]

Chair Dominguez asked regarding Parks CIP to O&M, if that is all salaries.

Mr. Rodriguez said it's not all salaries.

Chair Dominguez said in the past we said one of things we would like to do is to start moving some of those out of there into the proper fund. He asked how difficult it would be to do that this budget cycle for Parks, for the \$750,000.

Mr. Rodriguez said he wouldn't recommend that, because it would take a major shift of resources and a change in the way we do business over there. "So respecting what the Council said, no layoffs no furloughs or anything like that, a lot of that is going to have to take place as a matter of attrition. So as positions opened in other places, we would move people there. If some people leave, then we would be phasing out some of those programs [positions?]. Apart from it's a violation of the rule that you use 30 year money to pay for 30 year goods, a basic rule in finance. But before too long, you end up, through CIP (everything that builds capital).... and before too long if you're relying on staff to do the CIP, after a while, it's hard not to resist ending up designing your CIP to what your staff can do. And if your staff isn't geared to be the big construction company, then over time, you shy away from those big projects, because you have to do the work that you staff can actually accomplish. And I think over time, that is the big challenge."

Mr. Rodriguez continued, "A lot of those CIP dollars go to people who are temporary, seasonal, and there are some issues that have to be addressed there as well."

Chair Dominguez said, "What I'm asking is, if I were to correlate that \$750,000 with your Monthly Financial Report, you expenditures...."

Mr. Rodriguez said, ".... wouldn't appear on my Monthly Financial Report, because they're CIP projects. On top of that it skews the picture, because we're moving stuff off the balance sheet."

Chair Dominguez said, "I guess I'm trying to.... well no, because you have a line item for CIP revenue don't you."

Mr. Rodriguez asked if he is speaking of the General Fund, saying we have GRT, but all the capital projects are put somewhere else. What we do with those is we show you the balances. Perhaps you're looking at the cash balances, and with those you will see cash balances in those funds."

Chair Dominguez asked, "Where do you see CIP cash balance."

Mr. Rodriguez said, "In the last Report, Teresita puts that together, you see all the different projects that are there by fund, each of the specific projects."

Chair Dominguez said, "I want to see what it looks like if we were to start to kind of move in that direction."

Mr. Rodriguez said, "Sure, and that's what we're working on to come forward with in terms of our budget plan. What it would look like. It would perhaps be your CIP would perhaps be bigger construction projects or longer projects. You probably would also be looking at, over time when we get past the hump here, you'd be looking at paying for a lot of the set-up, the design, and the basic engineering to be paid for out of cash. So that way when you do a bond, a financial, you take money from the CIP, it's actually to pay for bricks and mortar to pay for construction as opposed to the long lead time we have here."

Mr. Rodriguez continued, "Let me give you an example just how far we have to go there. You've heard there's an audit of the 2008 Park Bond, a Park Bond audit, and we'll be getting the report from the auditor for that pretty soon. A major questions a lot of places would ask, is well in the first place, how is it that we are still, in 2015, dealing with that. Sure there's other issues perhaps there, but the fact that we still have not completely executed those things, there's reasons, a story behind each one of those. But it just indicates there could be a lot of improvement."

Councilor Lindell said she heard Mr. Rodriguez say no layoffs and then we go with attrition. She said, "You know, I just don't see that as being any kind of sustainable formula. People doing jobs, and whether they retire, or make a decision to leave, if we don't fill those positions, a lot of them, we end up with people oftentimes overwhelmed with so much more they need to pick up. It just doesn't seem like that can go on forever and there is an end point to that. And over the last few years, certainly we've left a lot of positions unfilled. And I know we're talking about eliminating some of those positions if they haven't been filled. I think the number we used was two years. The idea.... it comes back to less service or increased revenues. We can't sustain ourselves on attrition for a lot more years."

Mr. Rodriguez said there is another thing and that is efficiencies. He said, "You either get more money, spend less money, or with the resources you have, you are able to do it more efficiently. And the example of payroll, is one area where to get there we take an investment in software, as well as change of internal policy. Fortunately, there's a lot of that in the City that we can focus on. The efficiencies would work two ways. Attrition could potentially be a lot more accelerated than it might seem."

Councilor Maestas said this really helps him. He said, "There's only two things you might want to consider, at least evaluating for incorporation, and that is the O&M cost associated with annexation. I don't think we've met all the requests that have come to us on the O&M side. We've talked about how we are doing with the resources we have, our response times. We know we can't meet the needs in terms of animal. The Chief came here several months ago and said, I've got a crisis on my hands. Are we kicking that can down the road on the O&M side."

Councilor Maestas continued, "And then the other issue is the vacancy assumptions. I think we went with a 4% vacancy rate assumption and factored that into the budget. Was that realistic. Are we carrying a placeholder unnecessarily. I think we looked at that, and I thought that 4% on average reflected the historic vacancy rate, but I don't know. We haven't looked at that since we developed this budget, but I think should be maybe revisited to see if that needs to be changed. But I think this is a great start on the O&M side."

Councilor Maestas continued, "On the one time capital side, I would like to see a similar graph showing the funding gaps in those infrastructure systems I think I mentioned before. We already know what the number is. This is the total funding gap for facilities, streets, watershed/arroyos and annexation. I think there are significant multi-million dollar, one-time capital costs associated with annexation. I know we have not committed any funding for that. I think the top priority is O&M going forward..... But for the purposes of us to get the big picture, we need to look at the deficits, the gaps in the one time capital and those key infrastructure systems. If we look at revenue enhancements, we have to look at what we are going to dedicate it to. Just looking at O&M isn't enough if we're going to pursue any kind of revenue enhancements and get down to business and look at dedication. That's why I think we need that snapshot of our one-time capital gaps in the infrastructure systems."

Mr. Rodriguez said, "I would tell you that figure would be something that would be unaffordable at this point. That is an enormous gap."

Councilor Maestas said we need to see that, because if we decide on a 3/8% gross receipts tax and we realize it will address the O&M issue, but you can't leverage hardly any of it to meet your gaps, you're still going to have the deferred maintenance and the growing gap. He said, "I think that's got to be part of our dashboard."

Mr. Rodriguez said, "I'm glad you mentioned that. There is one figure of \$2 million for the investment gap and that's a minimal estimate."

Councilor Maestas would like to amortize that over 20-50 years.

Mr. Rodriguez said, "All that is, is basically if you look what our capital stock was worth last year and how much it's worth this year, taking into account everything that was invested in and built up, that gap is about \$2 million. So our capital stock went down about \$2 million and that's the minimum deficit now. What you want and what you expect is that you stay ahead of depreciation, the minimum amount you want to invest in, and on top of that you also want to invest in a certain rate of growth. Santa Fe has grown about 0.8%, a little less than 1%, so you want to invest at least that amount. For you to get to that other figure, there would have to be some significant strategic planning that would have to take place on the part of the Council. For example, what you've done Parks, did you say, well there should be 5 acres per thousand and therefore, how many acres do we have, how many people do we have, the deficit is such and such. Likewise for Streets. We expect that the service level for streets – 80% of the streets are either in excellent or good condition. Storm drainage – no place in the City should be inundated after the first inch of stormwater or something like that. If you set those standards, I can come back and say, for you to achieve those things, this is the big gap. Otherwise, it does become a very personal editorial on my part,

or anybody's part, for that to happen. So it would take some strategic planning for us to get to that phase, but it is a very big number, no question about it. For example, if you were to look at the streets and say, the whole street service, including those that aren't paved, including those in the annexation area that need to be addressed, etc., what percent of those are in good or excellent condition, using pretty standard methodologies for grading those sorts of things. Given that, where are they now and that's your gap. So perhaps maybe we start get the organization learning that, so as we come forward with the budget, maybe we would be proposing those kinds of targets so you could tell us, this is the level of service we expect for infrastructure, given this is where the gap is.

Chair Dominguez said, "Isn't Public Works doing an assets assessment."

Mr. Rodriguez said they did a very involved one a few years ago and they maintain it continually, but we don't have a very workable work order system, to where we get a good sense of things that keep breaking up, so over time you can get a sense of what needs to be done.

[Chair Dominguez's remarks here are inaudible because his microphone wasn't turned on]

Mr. Rodriguez said, "It would give you a snapshot at that point, but without the system to keep it updated so when a new work order or any thing is done that updates the condition of the facility and you could say, for example when we get a complaint of a roof leaking, it puts the roof in fair condition, versus all the things that could happen to it. We don't have sort of system."

Councilor Maestas said, "We are doing a pilot asset management on facilities initially."

Chair Dominguez said if it's a pilot, it will give us a good baseline. He asked if that is going to be done through Public Works.

[Councilor Trujillo's response is audible because his microphone was turned off]

Mr. Rodriguez said, "It's a major undertaking and one you don't want to undertake without the ability to keep it current, otherwise it turns into a study and is good for a year or two."

[Councilor Trujillo's response is audible because his microphone was turned off]

Mr. Rodriguez said, "The facilities asset that David Pfeiffer did."

Councilor Maestas said there is a more recent one done by Ameresco.

Chair Dominguez said that was more comprehensive and a lot more detailed than the one that was done a few years ago.

Mr. Rodriguez said, "So there you have it. That's what we're wrestling with, and you're going to get a budget that will try and get us moving in all of those different sources of funds. It looks like a tall order, but it's totally achievable. We're not going to put you in a condition we can't do anything about."

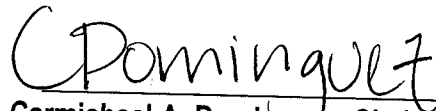
Chair Dominguez said if we can at least get to some of it in 3 years, he would be happy with that.

25. MATTERS FROM THE COMMITTEE


There were no matters from the Committee.

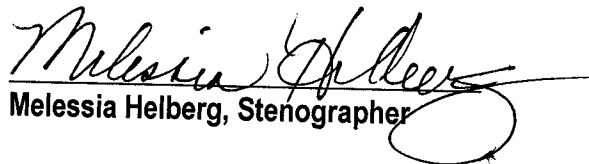
26. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 8:15 p.m.


Carmichael A. Dominguez, Chair

Reviewed by:


Oscar S. Rodriguez, Finance Director
Department of Finance


Melessia Helberg, Stenographer

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO BILL NO. 2015-6
Bike & Brew at the Railyard

Mayor and Members of the City Council:

I propose the following amendment(s) to Bill No. 2015-6:

1. On page 3, line 12, after "corporation." *insert* the following:

"The event sponsor shall comply with the requirements of 23-6.3 SFCC 1987, except that:

(1) sixteen (16) ounce servings are permitted; and

(2) the alcohol content, to allow for craft beer, may exceed five percent (5%)
alcohol."

Respectfully submitted,

City Business & Quality of Life Committee

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2015-__
Teen Center

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2015-__:

1. On page 2, line 2, *insert* the following provisions:
 "BE IT FURTHER RESOLVED that in addition to the above, staff is directed to:
 1. Propose an operational plan and programming options for early childhood development programming and teen center programming in the Hopewell/Mann Neighborhood; and
 2. Review the cost analysis that was done in 2010 that related to the establishment of a teen center at Tino Griego Pool."

Respectfully submitted,

Carmichael Dominguez, Councilor

ADOPTED: _____
NOT ADOPTED: _____
DATE: _____

Yolanda Y. Vigil, City Clerk

Exhibit "2"

CITY OF SANTA FE
FISCAL YEAR-TO-DATE FINANCIAL PERFORMANCE
REPORT

As of January 31, 2015

Presented to the Finance Committee

March 16, 2015

Exhibit "3"

The following report is a summary of financial results for the City. It provides summarized information on how the City's financial sources and uses have performed to date by major categories and Departments. Significant financial developments and budget variances are highlighted and explained. The report also includes a projection of revenues and expenditures to the end of the fiscal year based on year-to-date activity and historic trends.

Highlights

At the end of January, the City's financial performance appears to be generally on course with the FY 2014-2015 Budget. Not counting the \$18.7 million in bond proceeds received this fall, revenues as a whole appear to be coming in slightly above budgeted (2%). Utilities, property taxes, franchise fees, and lodgers' tax revenue are tracking significantly above what was budgeted for them (3-7%). Meanwhile, total expenditures seem headed to fall below budget (6%). Contractuals, Repairs & Maintenance, and Supplies are the main areas where expenditures are below what was expected.

The experience year-to-date indicates no significant unanticipated shortfall or, for that matter, windfall. Looking forward, there are a number of points worth highlighting:

- Gross Receipts Tax, which is the City's principal operating revenue source, is trending at the budgeted level. The distribution received February 13th was for December earnings, including Christmas:

▪ Amount over (under) budget	0.69%	\$ 420,724
▪ Year-to-date vs. prior year-to-date	1.62%	\$ 983,386
▪ Year-to-date vs FY 07-08 year-to-date	-0.01%	-\$ 5,238
- Ambulance Fees are underperforming by almost \$200,000 (9%), continuing a downward trend from last fiscal year, when they reached \$3.5 million. Fortunately, Property and Franchise taxes are outperforming budget expectations, and at this point in the year appear to be making up for the shortfalls in other revenue streams.
- The methodology used to project financial performance to the end of the year indicates that expenditures in the General Fund as a whole will come in 5% below budget. Staff checked with the interested departments and found no new information that would justify a change in this projection. The principal departments contributing to this under-expenditure are Community Development, Community Services (Administration and Library), General Government, and Public Works (Parks and Recreation). Together, they account for more than \$1.4 million in one-time savings. Contractuals and Repairs & Maintenance are the main drivers behind this trend.
- In the Airport Fund, revenues appear to be 78% below the amount budgeted, primarily in fees. Unless this trend is reversed, the year-end deficit in this fund will reach \$869,000 instead of the \$182,000 that was incorporated into the original Council-approved budget.

FINANCIAL PERFORMANCE REPORT: JANUARY 2015

ALL FUNDS - OPERATING BUDGET SUMMARY & PROJECTIONS

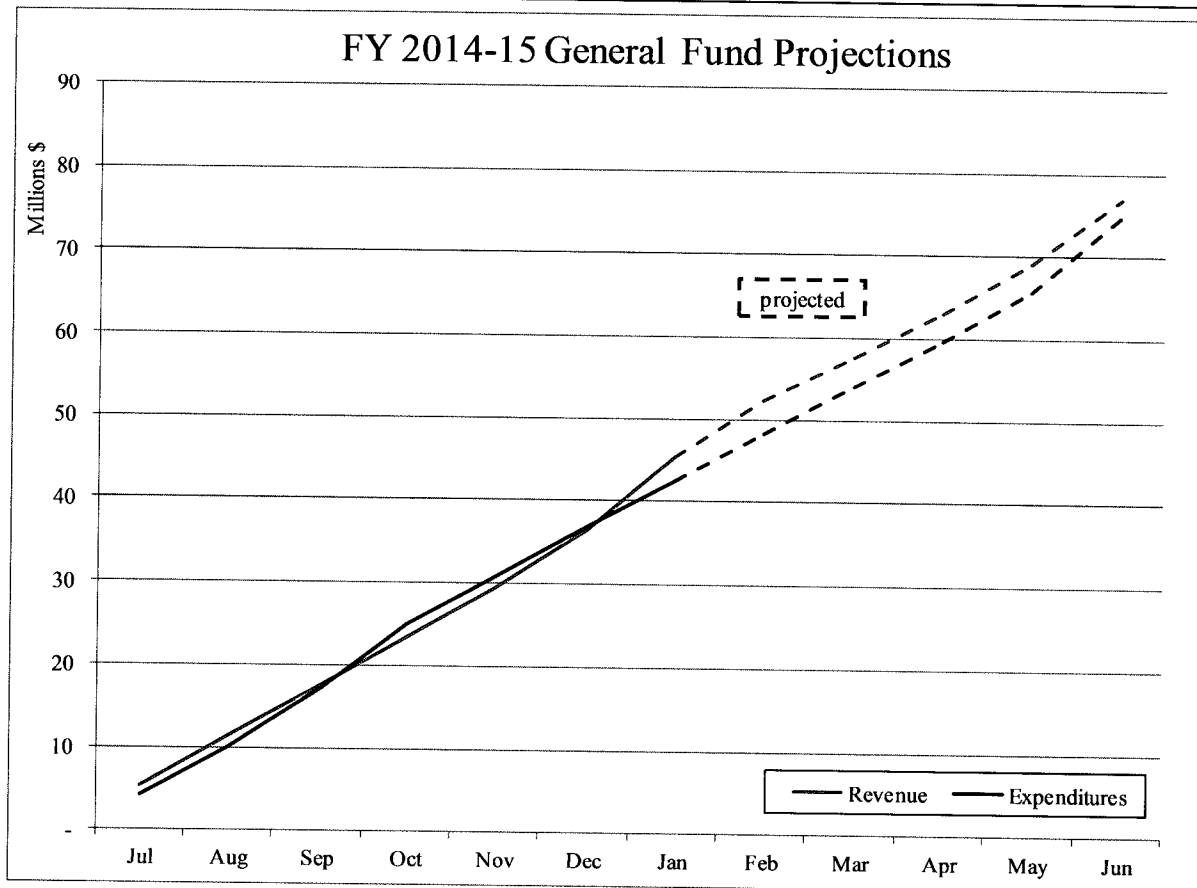
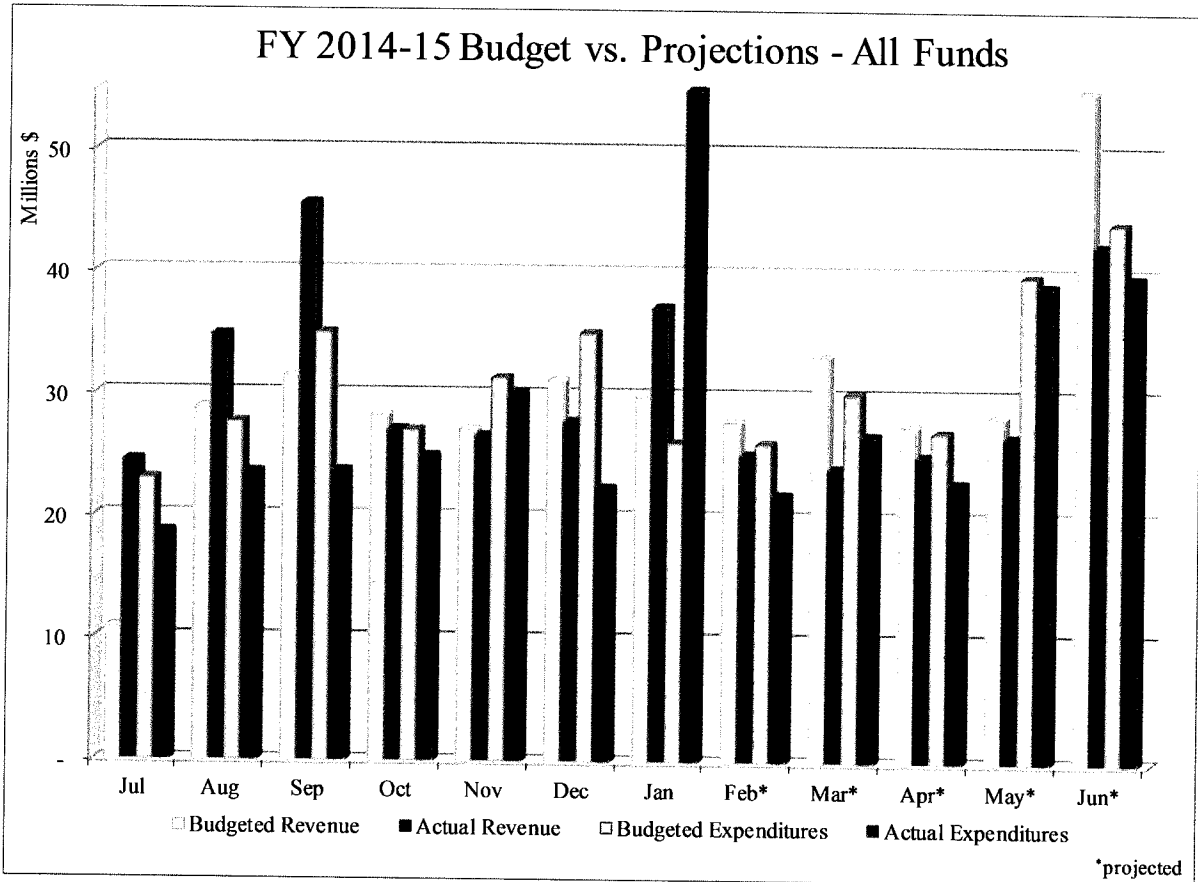
DESCRIPTION	FISCAL YEAR 2013/2014 ACTUAL	FISCAL YEAR 2014/2015				
		APPROVED BUDGET	AMENDED BUDGET	YEAR TO DATE*	PROJECTED YEAR-END	PROJECTED VARIANCE
BEGINNING BALANCE	155,378,212	146,227,772	146,227,772	146,227,772	146,227,772	
<i>Revenues:</i>						
Gross Receipts Tax	95,725,848	97,244,078	97,244,078	57,702,979	97,176,381	0%
Property Tax	9,251,086	8,225,005	9,595,713	6,068,938	9,921,284	3%
Lodgers' Tax	8,376,475	8,000,000	8,000,000	6,195,326	9,245,737	16%
Other Taxes	4,938,789	5,116,152	5,116,152	3,270,650	6,242,039	22%
Licenses & Permits	2,378,207	2,641,500	2,641,500	1,392,748	2,489,742	-6%
Ambulance Fees	3,511,498	2,000,000	2,000,000	905,246	1,829,050	-9%
Insurance Premiums/Deductible	24,993,908	27,522,846	27,522,846	15,879,645	27,156,776	-1%
Parking Fees	3,927,368	4,392,963	4,392,963	2,320,509	3,943,614	-10%
Recreation Fees	3,247,009	3,356,843	3,356,843	1,843,335	3,428,004	2%
Solid Waste Fees	18,034,108	18,206,951	18,206,951	10,462,128	19,063,795	5%
Wastewater Fees	11,000,820	11,327,400	11,327,400	6,439,254	12,112,863	7%
Water Fees	34,511,650	38,365,611	38,402,140	20,517,092	39,721,470	3%
Other Fees/Services**	22,239,989	15,713,920	15,677,911	8,484,541	16,609,146	6%
Fines & Forfeitures	1,724,194	2,002,350	2,002,350	742,426	1,360,739	-32%
Miscellaneous Revenues***	17,788,118	5,654,898	33,455,194	30,521,356	35,253,265	5%
Interest on Investments	977,130	776,013	776,013	498,575	1,059,041	36%
State Grants	2,906,658	5,757,225	3,013,830	2,080,199	3,013,830	0%
Federal Grants	6,157,366	3,975,232	5,910,798	4,822,335	5,910,798	0%
SF County/Other Grants	2,759,589	6,120,514	6,925,951	-	6,925,951	0%
Transfers In	60,913,862	54,230,413	64,987,299	43,789,063	64,987,299	0%
Subtotal - Revenues	335,363,675	320,629,914	360,555,932	223,936,344	367,450,823	2%
TOTAL RESOURCES	490,741,887	466,857,686	506,783,704	370,164,115	513,678,594	
<i>Expenditures:</i>						
Salaries	69,868,698	74,322,442	74,567,010	39,530,492	71,125,390	-5%
Benefits	34,421,888	36,901,786	35,906,494	20,430,013	34,865,980	-3%
Contractual Services	20,956,652	22,768,812	26,393,862	15,958,016	17,670,717	-33%
Utilities	11,164,646	13,415,660	11,806,892	8,903,971	10,622,555	-10%
Repairs & Maintenance	4,115,112	5,836,753	5,613,560	3,494,110	4,287,045	-24%
Supplies	8,318,764	10,138,885	10,162,674	5,975,669	8,117,510	-20%
Insurance	28,167,219	32,355,629	32,307,005	17,838,861	29,202,505	-10%
Other Operating	21,503,186	18,605,477	19,216,932	11,290,088	18,079,912	-6%
Capital Purchases	5,683,446	8,654,024	16,707,496	12,148,474	16,707,496	0%
Land & Building	11,976,090	8,900	1,160,295	667,373	1,160,295	0%
Debt Service-Principal	22,943,220	20,291,015	20,291,015	1,949,000	20,291,015	0%
Debt Service-Interest	16,854,003	16,248,036	16,248,036	9,001,587	16,248,036	0%
Transfers Out	88,541,191	66,598,203	102,214,457	75,802,644	102,214,457	0%
TOTAL EXPENDITURES	344,514,115	326,145,622	372,595,728	222,990,298	350,592,913	-6%
ENDING BALANCE	146,227,772	140,712,064	134,187,976	147,173,817	163,085,682	

*includes year-to-date actuals plus encumbrances; excludes CIP funds

**Other Fees/Services include: Internal Service Charges; Airport Fees; Police/Court Fees; Transit Fees; Land Use Fees; and various other fees/services

***Miscellaneous Revenues are primarily comprised of Bond Proceeds. This category also includes: Bond Premiums; Sales Revenue; Reimbursements/Refund. Advertising Income; Insurance Recoveries; and other miscellaneous revenues

ANALYSIS



FINANCIAL PERFORMANCE REPORT: JANUARY 2015

GENERAL FUND SUMMARY & PROJECTIONS

DESCRIPTION	FISCAL YEAR 2013/2014 ACTUAL	FISCAL YEAR 2014/2015				
		APPROVED BUDGET	AMENDED BUDGET	YEAR TO DATE*	PROJECTED YEAR-END	PROJECTED VARIANCE
BEGINNING BALANCE	8,121,688	9,305,512	9,305,512	9,305,512	9,305,512	
<i>Revenues:</i>						
Gross Receipts Tax	52,621,883	53,836,678	53,836,678	31,645,828	53,327,866	-1%
Property Tax	3,288,358	3,262,577	3,464,591	2,191,803	3,583,081	3%
Franchise Tax	2,873,554	3,145,000	3,145,000	2,126,036	3,913,075	24%
Other Taxes	468,660	490,000	490,000	275,693	580,942	19%
Licenses & Permits	2,346,669	2,628,000	2,628,000	1,371,770	2,451,966	-7%
Ambulance Fees	3,511,498	2,000,000	2,000,000	905,246	1,829,050	-9%
Planning/Land Use Fees	207,451	271,400	203,900	173,031	299,594	47%
Recreation Fees	467,169	490,000	490,000	288,954	537,360	10%
Reimbursed Expenditures**	5,944,541	5,397,995	5,397,995	3,071,587	5,397,995	0%
Other Fees/Services	206,804	235,800	235,800	95,663	187,150	-21%
Fines & Forfeitures	506,527	544,700	544,700	253,883	507,512	-7%
Miscellaneous Revenues	62,904	149,000	149,000	28,365	62,240	-58%
Interest on Investments	49,918	29,038	29,038	21,325	45,298	56%
State/Other Grants	73,578	-	109,840	53,475	108,240	-1%
Transfers In	3,155,921	3,291,762	4,141,762	2,857,695	4,141,762	0%
Subtotal - Revenues	75,785,437	75,771,950	76,866,304	45,360,354	76,973,130	0%
TOTAL RESOURCES	83,907,125	85,077,462	86,171,816	54,665,866	86,278,642	
<i>Expenditures:</i>						
Community Development Department	1,188,575	1,295,819	1,398,325	888,687	1,095,612	-22%
Community Services Department:						
-Administration Division	424,594	593,537	660,501	545,070	512,328	-22%
-Library Division	2,586,901	2,603,177	2,603,203	1,562,363	2,484,991	-5%
-Senior Services Division	2,224,573	2,374,548	2,379,743	1,390,560	2,379,955	0%
-Youth & Family Division	675,405	754,120	754,216	450,366	753,802	0%
Finance Department	5,551,101	3,986,326	3,992,931	2,342,026	3,823,423	-4%
Fire Department	14,829,280	14,614,959	15,464,959	9,363,720	15,298,442	-1%
General Government	5,568,378	5,547,392	5,750,682	3,293,633	5,316,761	-8%
Human Resources Department	834,723	831,127	831,127	559,740	889,671	7%
Information Technology and Telecommunications Department	3,198,547	3,349,676	3,418,088	2,002,515	3,176,348	-7%
Land Use Department	3,811,855	4,049,442	4,051,230	2,231,402	3,865,697	-5%
Police Department	20,392,955	22,977,918	23,067,553	12,462,520	21,420,608	-7%
Environmental Services / Graffiti	147,121	299,723	299,723	150,875	266,772	-11%
Public Works Department:						
-Administration Division	82,565	31,625	31,625	33,176	41,253	30%
-Facilities Maintenance Division	2,689,873	2,615,200	2,611,448	1,655,356	2,599,052	0%
-Parks, Trails & Watershed Division	5,221,566	5,956,498	5,998,839	3,376,468	5,685,779	-5%
-Recreation Division	2,285,419	2,596,169	2,600,819	1,531,646	2,491,747	-4%
-Streets & Drainage Division	422,654	496,926	496,926	269,181	468,236	-6%
-Traffic Engineering Division	2,465,529	2,566,274	2,566,770	1,785,044	2,293,988	-11%
TOTAL EXPENDITURES	74,601,613	77,540,456	78,978,708	45,894,345	74,864,466	-5%
ENDING BALANCE	9,305,512	7,537,006	7,193,108	8,771,521	11,414,176	
City Council-Mandated Minimum General Fund Balance***	6,136,549	6,050,312	6,169,630		6,169,630	
Equivalent # Days of Operation	48	38	35		60	

*includes year-to-date actuals plus encumbrances

**Reimbursed Expenditures are mostly comprised of internal service charges to various City Divisions for services provided by GF Departments such as Finance, ITT, & HI

***minimum balance defined as 1/12 budgeted annual General Fund expenditures excluding transfers (30 days)

FINANCIAL PERFORMANCE REPORT: JANUARY 2015

SUMMARY & PROJECTIONS: FUNDS WITH NEGATIVE PROJECTED BALANCES

DESCRIPTION	FISCAL YEAR	FISCAL YEAR 2014/2015				
	2013/2014 ACTUAL	APPROVED BUDGET	AMENDED BUDGET	YEAR TO DATE*	PROJECTED YEAR-END	PROJECTED VARIANCE
MUNICIPAL RECREATION COMPLEX FUND [5600]						
BEGINNING BALANCE	(1,149,920)	(1,168,973)	(1,168,973)	(1,168,973)	(1,168,973)	
<i>Revenues:</i>						
Recreation Fees	965,545	1,012,237	1,012,237	585,796	1,089,391	8%
Reimbursed Expenditures	4,847	4,000	4,000	2,841	5,393	35%
Parks & Recreation Rentals	45,006	25,200	25,200	14,940	33,724	34%
Other Rentals	22,858	23,000	23,000	13,804	25,930	13%
Miscellaneous Revenues	43,074	47,000	47,146	18,636	48,823	4%
Transfers In	95,306	197,605	297,605	215,270	297,605	0%
Subtotal - Revenues	1,176,637	1,309,042	1,409,188	851,287	1,500,867	7%
TOTAL RESOURCES	26,717	140,069	240,215	(317,686)	331,894	
<i>Expenditures:</i>						
Salaries	273,504	364,553	364,553	189,245	343,726	-6%
Benefits	119,105	141,132	141,132	72,863	129,604	-8%
Contractual Services	146,288	185,978	185,978	88,534	152,546	-18%
Utilities	172,350	152,067	152,067	150,687	160,405	5%
Repairs & Maintenance	19,027	33,926	40,480	21,054	33,080	-18%
Supplies	45,955	50,671	144,892	24,947	78,677	-46%
Insurance	1,976	2,334	2,334	1,362	2,334	0%
Other Operating	187,199	219,172	218,543	155,443	208,380	-5%
Capital Purchases	147,519	159,209	159,209	149,681	159,209	0%
Transfers Out	82,766	-	-	-	-	0%
TOTAL EXPENDITURES	1,195,689	1,309,042	1,409,188	853,815	1,267,961	-10%
ENDING BALANCE [5600]	(1,168,973)	(1,168,973)	(1,168,973)	(1,171,501)	(936,067)	
AIRPORT FUND [5800]						
BEGINNING BALANCE	(159,552)	(418,538)	(418,538)	(418,538)	(418,538)	
<i>Revenues:</i>						
Airport Fees	690,959	825,268	856,759	120,558	190,709	-78%
Airport Rentals	44,093	14,140	14,140	5,067	9,786	-31%
Other Rentals	139,129	170,000	170,000	73,881	142,699	-16%
Miscellaneous Revenues	15	-	-	-	-	0%
State Grants	-	10,000	10,000	-	10,000	0%
Transfers In	400,001	582,646	582,646	339,877	582,646	0%
Subtotal - Revenues	1,274,198	1,602,054	1,633,545	539,383	935,840	-43%
TOTAL RESOURCES	1,114,646	1,183,516	1,215,007	120,846	517,302	
<i>Expenditures:</i>						
Salaries	772,000	623,006	623,006	386,054	650,056	4%
Benefits	368,408	309,305	309,305	193,551	317,905	3%
Contractual Services	88,990	90,650	116,858	74,219	97,690	-16%
Utilities	68,018	62,680	62,680	62,451	57,687	-8%
Repairs & Maintenance	18,471	37,737	38,101	22,483	32,033	-16%
Supplies	30,354	34,786	31,920	20,289	26,268	-18%
Insurance	32,933	50,992	50,992	26,943	37,773	-26%
Other Operating	154,010	163,139	163,339	92,571	167,013	2%
TOTAL EXPENDITURES	1,533,184	1,372,295	1,396,201	878,560	1,386,426	-1%
ENDING BALANCE [5800]	(418,538)	(188,779)	(181,194)	(757,715)	(869,124)	

*includes year-to-date actuals plus encumbrances; excludes CIP funds

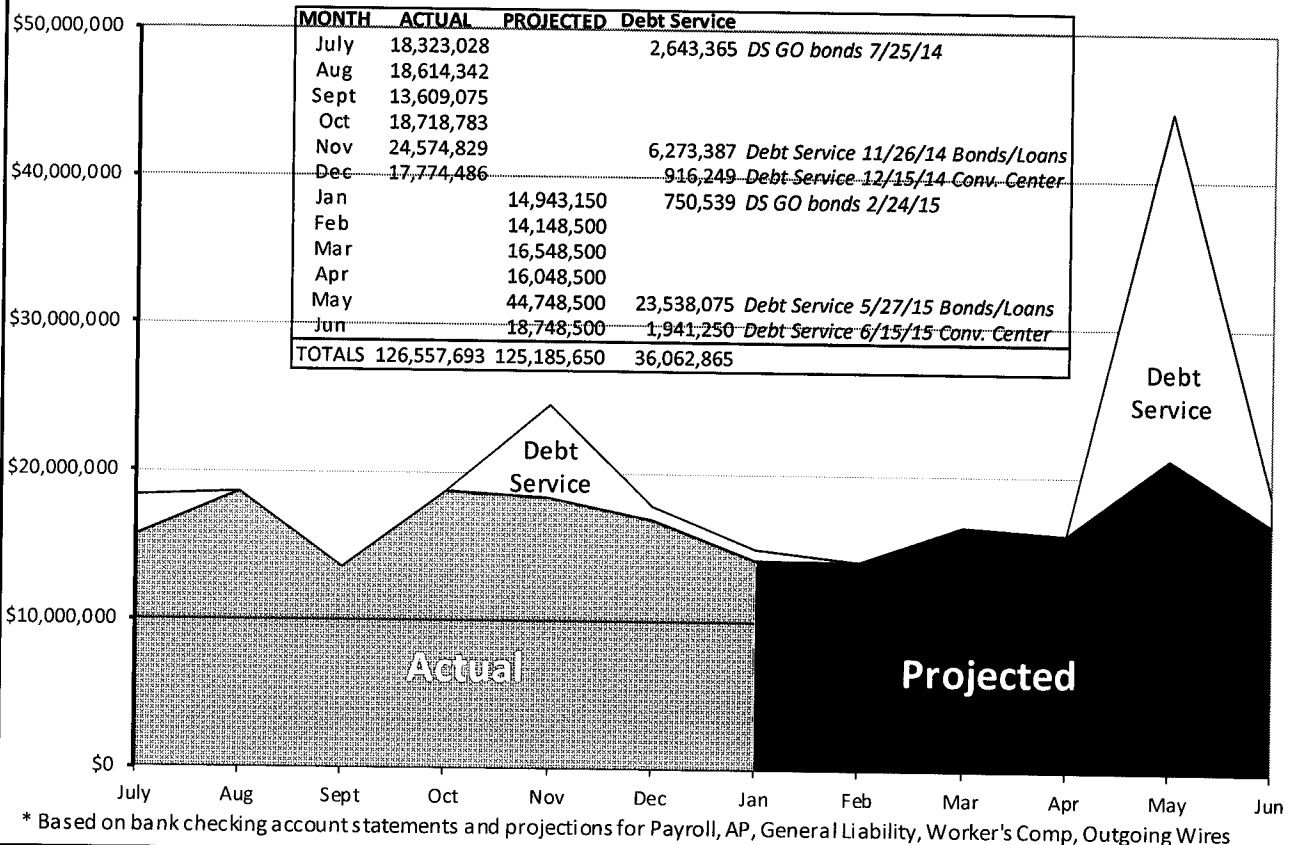
FINANCIAL PERFORMANCE REPORT: JANUARY 2015

SUMMARY & PROJECTIONS: FUNDS WITH NEGATIVE PROJECTED BALANCES

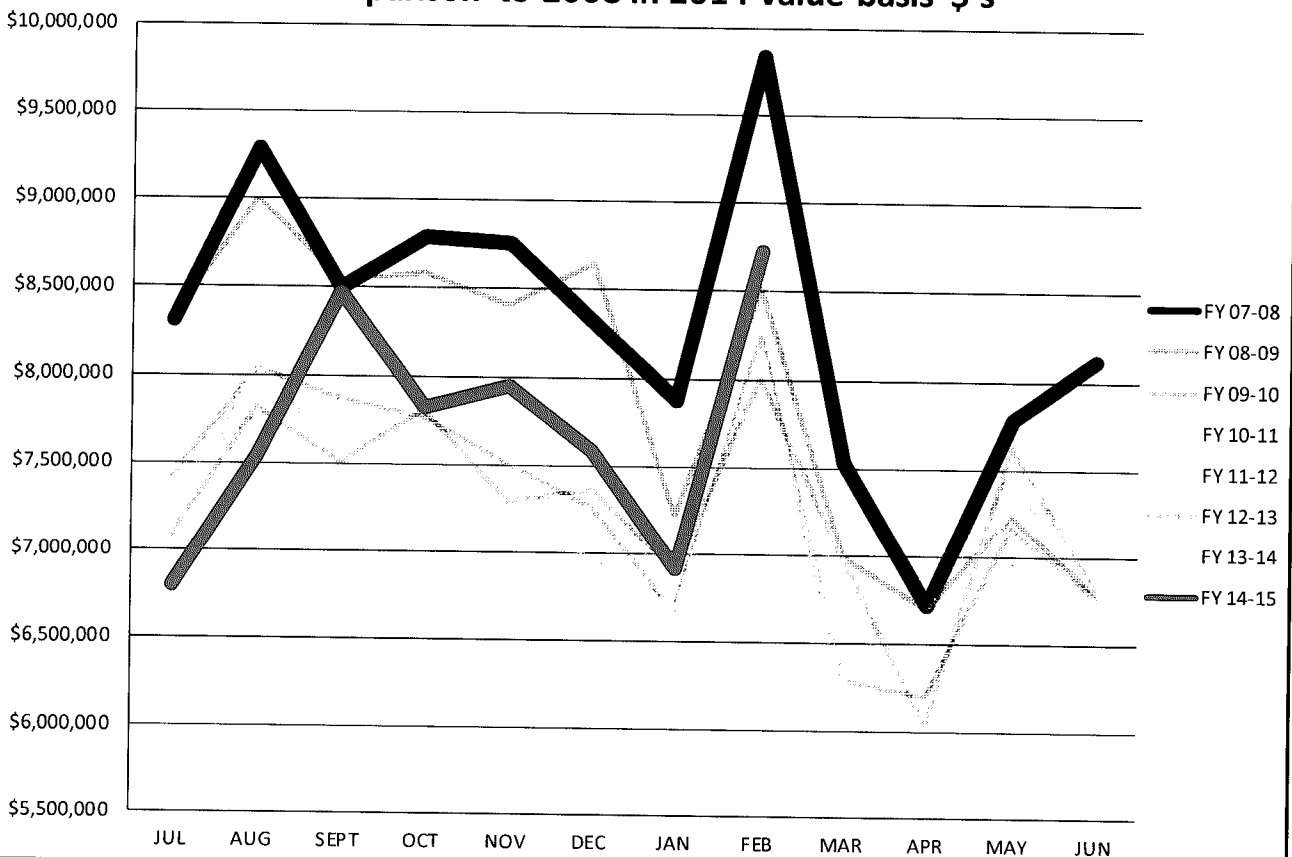
DESCRIPTION	FISCAL YEAR	FISCAL YEAR 2014/2015				
	2013/2014 ACTUAL	APPROVED BUDGET	AMENDED BUDGET	YEAR TO DATE*	PROJECTED YEAR-END	PROJECTED VARIANCE
<i>SF CIVIC CONVENTION CENTER FUND [5100]</i>						
BEGINNING BALANCE	1,715,482	544,979	544,979	544,979	544,979	
<i>Revenues:</i>						
Civic Center Fees	185,318	-	-	173,683	306,893	100%
Reimbursed Expenditures	-	-	-	8,223	15,610	100%
Other Fees/Services	18,418	-	-	8,397	14,974	100%
Rentals & Concessions	917	420,000	420,000	-	-	-100%
Sales Revenue	84	-	-	2,450	2,919	100%
Miscellaneous Revenues	13,218	-	-	6,701	17,555	100%
Interest on Investments	15,229	7,199	7,199	5,548	11,785	64%
Transfers In	3,428,571	3,794,793	3,794,793	2,213,629	3,794,793	0%
Subtotal - Revenues	3,661,755	4,221,992	4,221,992	2,418,632	4,164,530	-1%
TOTAL RESOURCES	5,377,237	4,766,971	4,766,971	2,963,610	4,709,509	
<i>Expenditures:</i>						
Salaries	351,226	382,574	382,574	210,982	373,100	-2%
Benefits	173,732	190,262	190,262	115,302	191,796	1%
Contractual Services	250,772	149,638	149,638	100,062	152,987	2%
Utilities	310,421	238,500	251,500	231,623	266,096	6%
Repairs & Maintenance	60,607	232,189	232,189	68,584	132,986	-43%
Supplies	50,753	92,599	92,599	64,579	71,698	-23%
Insurance	31,676	19,815	19,815	11,559	19,815	0%
Other Operating	111,048	134,080	121,080	70,918	101,225	-16%
Land & Building	-	3,900	3,900	-	3,900	0%
Debt Service-Principal	1,175,000	1,235,000	1,235,000	-	1,235,000	0%
Debt Service-Interest	2,179,500	2,123,187	2,123,187	1,061,594	2,123,187	0%
Transfers Out	137,522	137,522	815,248	757,947	815,248	0%
TOTAL EXPENDITURES	4,832,258	4,939,266	5,616,992	2,693,151	5,487,038	-2%
ENDING BALANCE [5100]	544,979	(172,295)	(850,021)	270,460	(777,529)	

*includes year-to-date actuals plus encumbrances; excludes CIP funds

CASH LEVELS ON HAND TO MEET ALL ANTICIPATED EXPENSES



Comparison to 2008 in 2014 Value-basis \$'s



FINANCIAL PERFORMANCE REPORT: JANUARY 2015

City of Santa Fe Cash Balance Comparisons

Fund Type	Type of Account	Audit Cash Balance 06-30-2014	Restricted State Mandated 'minimum balance'	Restricted for Debt Payment/ Actuarial Reserve/ miscellaneous	Committed- Accts Payable & Escrows	Total Cash Available 06-30-2014	Cash Balance General Ledger 09-30-2014	Cash Balance General Ledger 01-31-2015
Major Government Funds								
	GEN - General Fund	9,305,512	6,136,549		3,079,917	89,046	7,847,609	10,158,655
	GRT - 1/2% Gross Receipts Tax	2,356,377	-	-	33,574	2,322,803	2,810,957	2,935,479
	DBT - Debt Service Funds	5,144,335	-	3,509,669	40,015	1,594,651	29,336,830	8,639,722
Special Revenue Government Funds								
	General Government							
	CAP - Capital Equipment Reserve	129,598			4,352	125,246	122,286	112,395
	MTG - Mortgage Refund Residual	8,361		-	-	8,361	8,373	8,382
	FEE - Franchise Fee	1,938			8,137	(6,199)	(24,635)	(24,327)
	LNS - Economic Development	31,962			31,275	687	(133,486)	(296,653)
	LDG - Lodger's Tax Funds	2,983,884			558,641	2,425,243	3,884,808	4,169,677
	SPL - Other Special Revenue Funds	451,541				451,541	483,387	525,598
	SFB - Santa Fe Business Incubator	32,937				32,937	32,988	33,024
	GRT - 1/2% Gross Receipts Tax	1,298,770				1,298,770	1,460,027	1,652,495
	CHD - Child Care Center	-				-	(1,282)	-
	Public Safety							
	ANM - Animal Services	147,189			323	146,866	153,567	156,567
	EMG - Emergency Services Funds	717,277			5,203	712,074	1,146,440	904,365
	ENV - Environmental Services	180,932			-	180,932	52,805	264,630
	LAW - Law Enforcement Grants	2,249,599			125,088	2,124,511	2,449,801	2,862,737
	HOS - Affordable Housing Program	(0)				(0)	(0)	(0)
	Public Works							
	CON - Resource Conservation	1,810				1,810	1,810	1,810
	DRN - City Drainage Projects	25,736			5,110	20,626	22,766	(94,719)
	IFP - Impact Fee Projects	1,481,147			-	1,481,147	1,635,915	1,704,748
	TRN - Transportation Grants	219,406			5,315	214,091	191,362	152,033
	Community Development							
	COM - Community Development Grants	1,032,982			60,049	972,933	1,228,262	990,151
	SEN - Senior Grants	184,358			9,105	175,253	52,841	419,359
	Culture and Recreation							
	HIS - Historic Preservation Grants	157,639			-	157,639	161,697	158,714
	LIB - Library Grants	401,177	-	250,000	60,250	90,927	430,966	454,353
	NEA - NEA Grant	(77)				(77)	7,423	2,423
	PLA - Plaza Use Fund	96,162				96,162	114,186	98,217
	PUB - Public Facilities Purchases	56,262				56,262	56,349	56,410
	QUA - Quality of Life Project	141,426			7,705	133,721	169,062	224,379
	REC - Recreation Grants	846,282			121,318	724,964	755,618	823,341
	TEA - Land Development	1,572,971			-	1,572,971	1,575,045	1,574,090
	SRL - Special Recreation League	130,102			1,029	129,073	127,465	119,036
	Total Special Revenue funds	14,581,371	-	250,000	1,002,900	13,328,471	16,038,380	17,053,232

FINANCIAL PERFORMANCE REPORT: JANUARY 2015

{Cash Balance Comparisons – continued}

Fund Type	Type of Account	Audit Cash Balance 06-30-2014	Restricted State Mandated *minimum balance*	Restricted for Debt Payment/ Actuarial Reserve/ miscellaneous	Committed- Accts Payable & Escrows	Total Cash Available 06-30-2014	Cash Balance General Ledger 09-30-2014	Cash Balance General Ledger 01-31-2015
Capital Projects Government Funds								
	General Government							
	CIP - CIP Re-allocation	181,433			-	181,433	202,420	218,839
	CON - Resource Conservation	2,505,509			-	2,505,509	2,500,800	181,186
	RNV - Building Renovation Projects	291,283			67,815	223,468	676,619	2,450,743
	PRJ - Other CIP	(512,948)			-	(512,948)	(512,948)	(513,028)
	Public Works							
	ARL - Beautif. of Major Arterials	106,715			5,395	101,320	63,022	40,574
	BND - Bond Aquisition Funds	79,494			-	79,494	79,494	79,494
	DRN - City Drainage Projects	134,366			4,125	130,241	127,177	1,120,672
	PAV - City Paving Projects	3,831,198			391,416	3,439,782	3,282,684	6,214,835
	RVR - Santa Fe River Channel	32,507				32,507	32,507	32,507
	SIG - City Signalization Projects	406,011			77,670	328,341	235,285	737,992
	STR - City Street Constr. Projects	3,530,931			14,818	3,516,113	3,464,491	4,958,083
	WLK - City Sidewalk Projects	508,785			134	508,651	401,811	1,091,079
	ZIA - Zia Road Street Lighting	151,301			-	151,301	142,746	210,719
	Community Development							
	HOS - Affordable Housing Program	1,000				1,000	1,000	201,000
	PUC - Public Care Facilities	1,687,156				1,687,156	1,678,025	1,962,247
	Culture and Recreation							
	ART - Art for CIP Projects	339,984			17,018	322,966	302,156	632,083
	PRK - City Parks Imprvmt.	9,853,803			724,839	9,128,964	7,765,732	14,220,583
	SPC - Open Space Acquisition	146,307			-	146,307	246,345	239,289
	LIB - Library Grants	57,119			-	57,119	39,560	18,235
Total Capital Projects Funds		23,331,953	-	-	1,303,230	22,028,723	20,728,928	34,097,131
Enterprise Funds								
	WWWT - Wastewater Enterprise	20,646,606	180,312	206,292	673,603	19,586,399	21,782,262	22,968,586
	WTR - Water Enterprise	90,334,614	-	6,017,797	2,337,114	81,979,703	98,466,559	100,358,580
	SLD - Solid Waste Management	6,849,406	171,616	108,990	70,505	6,498,295	6,965,540	7,957,840
	UTL - Utilities Administration	3,676,216	-	-	-	3,676,216	2,962,610	3,528,413
	RRL - Railyard Properties	972,392	-	118,386	104,426	749,580	1,138,619	1,930,649
	SWY - Santa Fe Convention Enterprise	3,126,762	-	49,366	475,489	2,601,907	4,443,330	4,150,495
	CSF - College of Santa Fe	2,160,852			-	2,160,852	2,738,170	1,974,357
	MUN - Municipal Recreation Complex	(841,334)			34,132	(875,466)	(386,507)	21,520
	PAR - Parking Enterprise	1,216,488			9,932	1,206,556	1,417,689	1,075,094
	BUS - Transit Bus Enterprise	4,059,993			120,939	3,939,054	6,969,827	6,545,559
	AIR - Airport Enterprise	(92,036)			119	(92,155)	(421,298)	(750,673)
	GCC - Genoveva Chavez Community Ctr	1,684,691			117,928	1,566,763	1,600,931	3,773,492
Total Enterprise Funds		133,794,650	351,928	6,500,831	3,944,187	122,997,704	147,677,731	153,533,913
Internal Service Funds								
	RSK - Risk Management	2,288,404		2,167,549	69,726	51,129	1,134,185	1,335,725
	SFH - Santa Fe Health/dental	5,776,720		2,465,974	563,959	2,746,787	4,954,761	5,979,302
	WRK - Workers Compensation	5,456,164		4,134,729	8,800	1,312,635	5,540,518	5,869,089
	SLB - AFSCME Sick Leave Bank	214,690				214,690	200,584	173,328
	FUL - Fire Union Sick Leave Bank	-				-	(7,401)	(9,631)
	NUL - Non Union Sick Leave Bank	-				-	(363)	9,489
	PUL - Police Union Sick Leave Bank	-				-	(1,255)	24,509
Total Internal Service Funds		13,735,978	-	8,768,252	642,485	4,325,241	11,821,030	13,381,812
Overall Totals		202,250,176	6,488,477	19,028,752	10,046,308	166,686,639	236,261,465	239,799,945

FINANCIAL PERFORMANCE REPORT: JANUARY 2015

City of Santa Fe Lodging Tax Report Fiscal Year Ending June 2015

4% Lodging Tax

Month	Fiscal Year 2010-2011	% Gain/Loss	Fiscal Year 2011-2012	Monthly % Gain/Loss	Fiscal Year 2012-2013	Monthly % Gain/Loss	Fiscal Year 2013-2014	Monthly % Gain/Loss	Fiscal Year 2014-2015	Monthly % Gain/Loss
July	\$ 466,349	-2%	\$ 429,660	-8%	\$ 541,735	26%	\$ 486,946	-13.44%	\$ 481,652	2.71%
August	\$ 559,878	-3.18%	\$ 584,497	4%	\$ 536,103	-8%	\$ 517,387	-3.49%	\$ 621,466	20.12%
September	\$ 621,818	-5.07%	\$ 587,900	-5%	\$ 608,861	4%	\$ 527,862	-13.30%	\$ 672,318	27.37%
October	\$ 417,264	-12.58%	\$ 457,746	10%	\$ 461,151	1%	\$ 557,971	21.00%	\$ 548,857	-1.63%
November	\$ 489,309	34.20%	\$ 447,667	-9%	\$ 450,359	1%	\$ 489,805	8.76%	\$ 358,944	-26.72%
December	\$ 234,852	-37.23%	\$ 223,558	-5%	\$ 261,800	17%	\$ 195,314	-25.40%	\$ 434,235	122.33%
January	\$ 260,667	41.00%	\$ 275,908	6%	\$ 345,975	25%	\$ 399,718	15.53%	\$ 416,999	4.32%
February	\$ 201,287	-9.70%	\$ 184,248	-8%	\$ 193,829	5%	\$ 198,194	2.25%	\$ -	-100.00%
March	\$ 198,305	-15.91%	\$ 167,482	-16%	\$ 211,949	27%	\$ 240,976	13.70%	\$ -	-100.00%
April	\$ 285,430	27.07%	\$ 276,748	-3%	\$ 320,760	16%	\$ 342,814	6.88%	\$ -	-100.00%
May	\$ 265,120	-10.44%	\$ 263,949	0%	\$ 298,822	13%	\$ 310,324	3.85%	\$ -	-100.00%
June	\$ 349,553	-14.59%	\$ 481,800	38%	\$ 427,960	-11%	\$ 478,706	11.86%	\$ -	-100.00%
Fiscal Year Totals	\$ 4,349,832		\$ 4,381,163	0.72%	\$ 4,659,304	6.35%	\$ 4,728,017	1.47%	\$ 3,534,472	
Cumulative Months										
July - February Totals	\$ 3,251,424		\$ 3,191,184	-1.85%	\$ 3,398,813	6.54%	\$ 3,355,197	-1.31%	\$ 3,534,472	5.34%

Convention Center 3% Lodgers Tax

Month	Fiscal Year 2010-2011	% Gain/Loss	Fiscal Year 2011-2012	Monthly % Gain/Loss	Fiscal Year 2012-2013	Monthly % Gain/Loss	Fiscal Year 2013-2014	Monthly % Gain/Loss	Fiscal Year 2014-2015	Monthly % Gain/Loss
July	\$ 349,762	-2%	\$ 322,245	-8%	\$ 406,301	26%	\$ 351,709	-13.44%	\$ 361,239	2.71%
August	\$ 419,908	-3.18%	\$ 438,373	4%	\$ 402,077	-8%	\$ 388,040	-3.49%	\$ 466,099	20.12%
September	\$ 486,364	-5.07%	\$ 440,925	-5%	\$ 456,646	4%	\$ 395,896	-13.30%	\$ 504,239	27.37%
October	\$ 312,948	-12.58%	\$ 343,310	10%	\$ 345,863	1%	\$ 418,479	21.00%	\$ 411,643	-1.63%
November	\$ 366,982	34.20%	\$ 335,750	-9%	\$ 337,769	1%	\$ 367,354	8.76%	\$ 269,208	-26.72%
December	\$ 176,141	-37.23%	\$ 167,668	-5%	\$ 196,350	17%	\$ 146,487	-25.39%	\$ 325,676	122.32%
January	\$ 195,500	41.00%	\$ 206,931	6%	\$ 259,482	25%	\$ 299,790	15.53%	\$ 312,749	4.32%
February	\$ 150,965	-9.70%	\$ 138,186	-8%	\$ 145,372	5%	\$ 148,646	2.25%	\$ -	-100.00%
March	\$ 148,729	-15.91%	\$ 125,611	-16%	\$ 158,962	27%	\$ 180,732	13.70%	\$ -	-100.00%
April	\$ 214,072	27.07%	\$ 207,561	-3%	\$ 240,570	16%	\$ 257,110	6.88%	\$ -	-100.00%
May	\$ 198,840	-10.44%	\$ 197,961	0%	\$ 224,117	13%	\$ 232,743	3.85%	\$ -	-100.00%
June	\$ 262,165	-14.59%	\$ 361,350	38%	\$ 320,970	-11%	\$ 359,030	11.86%	\$ -	-100.00%
Fiscal Year Totals	\$ 3,262,376	-3.28%	\$ 3,285,871	0.72%	\$ 3,494,478	6.35%	\$ 3,546,015	1.47%	\$ 2,650,854	
Cumulative Months										
July - February Totals	\$ 2,438,570		\$ 2,393,388	-1.85%	\$ 2,549,860	6.54%	\$ 2,516,401	-1.31%	\$ 2,650,854	5.34%

Fiscal Year Comparison

Combined Total 4%+3% Fiscal Year Total	2009-2010	2010-2011	2011-2012	2012-2013	2014-2015
	\$ 7,612,208	\$ 7,667,034	\$ 8,153,783	\$ 8,274,032	\$ 6,185,326
	-3.28%	0.72%	6.35%	1.47%	-25.24%

Current Year to Date Comparison to Prior Y

July - January 2015	2009-2010	2010-2011	2011-2012	2012-2013	2014-2015
	\$ 5,689,994	\$ 5,584,572	\$ 5,949,673	\$ 5,871,598	\$ 6,185,326
	-27.71%	-1.85%	6.54%	-1.31%	5.34%

CITY OF SANTA FE PROCUREMENT CHECKLIST

Contractor Name: _____

Procurement Title: _____

Solicitation RFP/RFB#: _____

Other Methods: State Price Agreement ☐ Cooperative ☐ Sole Source ☐ Exempt ☐ Other ☐

Department Requesting/Staff Member _____

Procurement Requirements:

A procurement file shall be maintained for all contracts, regardless of the method of procurement. This file shall contain the basis on which the award is made: all submitted bids and proposals, all evaluation materials, score sheets, quotations and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement shall contain a written determination from the Requesting Department, signed by the Procurement Officer, setting forth the reasoning for the contract award decision before submitting to the Council Committees.

	YES	N/A	
AWARD	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Fully executed Memo to Committees from the Department with recommendation of award Winning proposal (this is a copy that has all confidential/proprietary information excluded) Screen print of Contract Award Notice Screen print of Award Notice published on agency website Email or notification sent to all Bidders/Offerors that award was made Waiver or "No Action Taken" from Procurement Office Correspondence with Procurement Office regarding waiver If IFB and not awarded to lowest responsive, responsible bidder; written explanation Other: _____
SOLICITATION	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Project Beginning History (council requests etc.) Budget Determination (FIR) attach Solicitation document (RFP, IFB) Screen print of legal solicitation published in newspapers, web sites, etc. Screen print of addendum(s) published on the IPB/RFP: Pre-Bid/Pre-Offer Conference attendance sheet and other documents If canceled, screen print of cancellation of solicitation notice Other: _____
DISCLOSURES	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Contractor Disclosures & Conflicts of Interest Disclosures & Conflicts of Interest Form(s) (winning bidder(s)/offeror(s)) Contractor –Conflicts of Interest Purchasing Office Letter or e-mail to designated individual regarding potential conflict Conflict of Interest Form signed by all parties Letter from Procurement Office regarding the potential conflict Subcontractor Disclosures Disclosures & Conflicts of Interest form of Subcontractor(s) Subcontractor –Conflicts of Interest Purchasing Officer Letter or email to designated individual regarding potential conflict Conflict of Interest form signed by all parties Letter from Legal Office regarding the potential conflict Other: _____

Accumulated Current Deficits:
Deferred Capital Investment, CIP-to-O&M, Ending Balance, etc.

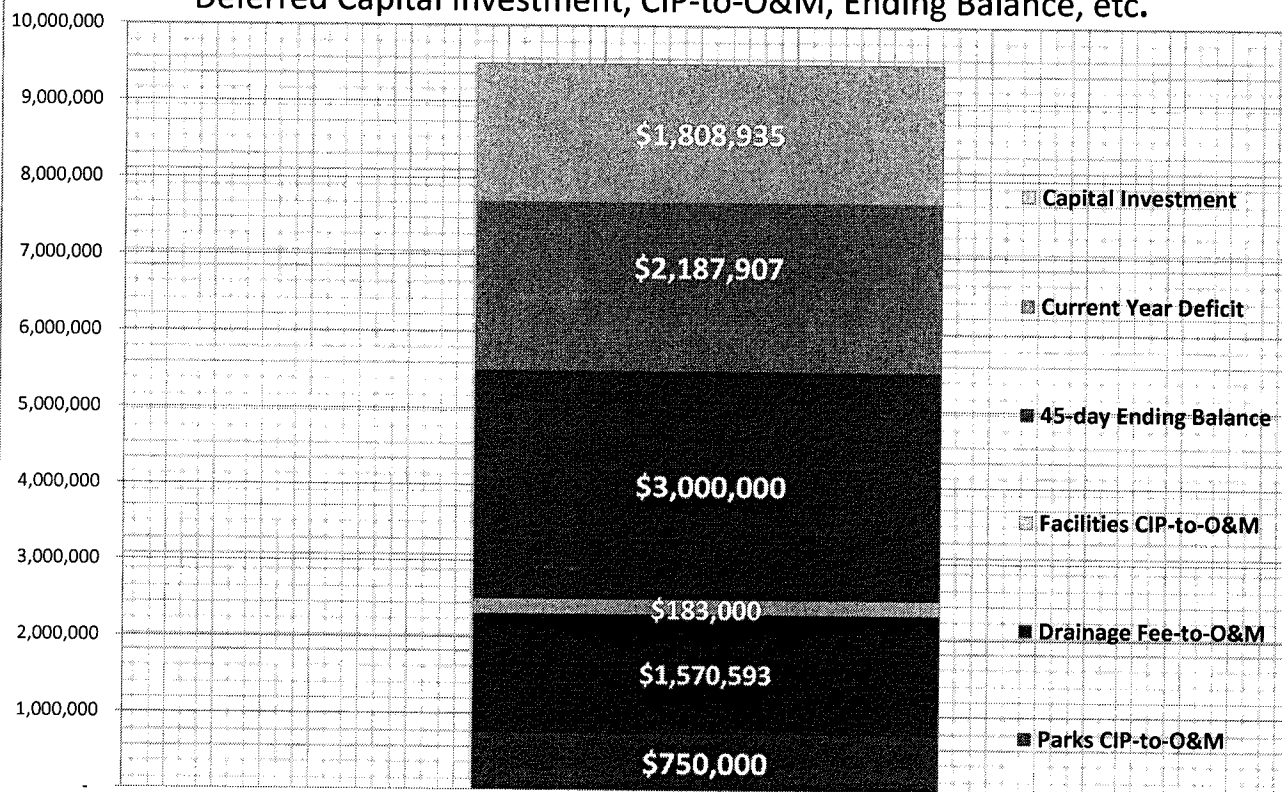


Exhibit "5"