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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2015-41

INTRODUCED BY:

Councilor Joseph Maestas

A RESOLUTION

RELATING TO THE MUNICIPAL CAPITAL OUTLAY GROSS RECEIPTS TAX ORDINANCE, SECTION 18-18 SFCC 1987 AND MANAGEMENT OF THE CITY'S WATER UTILITY'S FINANCES; DIRECTING STAFF TO ASSESS AND DEVELOP A PLAN TO MAKE THE WATER UTILITY ENTERPRISE FINANCIALLY SELF-SUSTAINING AND DETERMINE WHETHER TO EVENTUALLY AMEND THE DEDICATION PROVISION OF SECTION 18-18 SFCC 1987.

WHEREAS, Section 18-18 SFCC 1987 imposes on any person engaging in business in the City of Santa Fe, for the privilege of engaging in business, an excise tax equal to one-fourth of one percent (.25%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be amended; and

WHEREAS, Subsection 18-18.4 SFCC 1987 dedicates the revenue from the municipal capital outlay gross receipts tax for water systems and facilities including, but not limited to, the development, design, planning, permitting and construction of, and improvements to, new and

1 existing direct diversion projects, water treatment plants and water system infrastructure; the purchase
2 of water rights and rights-of-way for water related facilities; and expenditures related to other water
3 or water-related projects; and

4 **WHEREAS**, the Governing Body desires that the water utility enterprise eventually sustain
5 itself financially entirely from operating revenues and not have to depend on the Environmental Gross
6 Receipts Tax,

7 **WHEREAS**, the Governing Body desires that state develop a detailed plan and formal
8 financial policy to ensure the utility eventually achieves financial self-reliance.

9 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
10 **CITY OF SANTA FE** that staff is directed to assess and evaluate the a plan including the Municipal
11 Capital Outlay Gross Receipts Tax designated for the water systems and facilities so that the
12 Governing Body may adopt a plan to make the water utility enterprise financially self-sustaining and
13 determine whether to eventually amend the dedication provision of Section 18-18 SFCC 1987.

14 **BE IT FURTHER RESOLVED** that such evaluation shall include a complete accounting of
15 general fund support to the public utilities department, including, without limitation, solid waste
16 facilities, water facilities, wastewater facilities, sewer systems and related facilities and an accounting
17 of said enterprises' transfers to the general fund and/or from the general fund to an enterprise fund.

18 **BE IT FURTHER RESOLVED** that staff shall develop and present to the Governing Body
19 a fund transfer policy; a working capital policy for all utilities; a financial plan to make said utilities
20 self-sustaining.

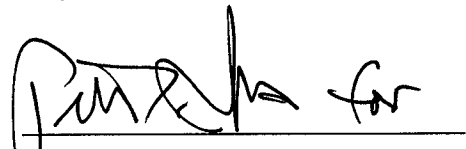
21 **BE IT FURTHER RESOLVED** that staff shall present their assessment on the financial
22 policies in time to be incorporated into the FY 2015-2016 Budget planning process, if feasible.

23 **BE IT FURTHER RESOLVED** that staff shall report their findings of said accounting of
24 transfers between the utility enterprises and the general fund and a comprehensive plan for making
25 the utility enterprises self-sustaining to the Governing Body within 180 days of adoption of this

1 resolution.

2 PASSED, APPROVED and ADOPTED this 27th day of May, 2015

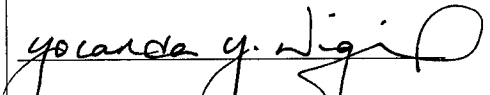
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JAVIER M. GONZALES, MAYOR

6 ATTEST:

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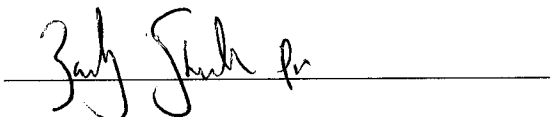


YOLANDA Y. VIGIL, CITY CLERK

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11 APPROVED AS TO FORM:

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KELLEY A. BRENNAN, CITY ATTORNEY

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