



1 Road; and

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

7           **WHEREAS**, the Resolution called for the Auditor to present the Audit to the Governing  
8 Body no later than December 31, 2014, which was extended by Resolution No. 2015-2 to March 31,  
9 2015; and

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

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

17           **WHEREAS**, various City Committees began asking for documentation as early as December  
18 2010, including regular requests from POSAC; and

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

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

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

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

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

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

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

19             1. A list of all disbursements from the separate Bond account in which the proceeds of the  
20 2008 Bond should have been placed, as required by law.

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

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

23                     b) Any other projects and activities that were funded out of the 2008 Bond

24             proceeds and should include but not be limited to the following projects;

25                     1. Marty Sanchez Links de Santa Fe Golf Course

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

- 2. Sun Mountain
- 3. Medians
- 4. Santa Fe Community Convention Center
- 5. La Resolana Park
- 6. 400<sup>th</sup> Anniversary

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

- a) The budgeted cost of each project,
  - b) Whether or not the project was completed,
  - c) If a project is not completed, how much has been done on the project and what needs to be done to complete it,
  - d) The amount spent on every project, including information about cost overruns and change orders, if any,
  - e) The personnel who worked on each project, including the Project Administrator, Designer, Parks Construction Supervisor, name of contractor and/or names of individuals on the Locals Crew.
3. A list of all City personnel whose salaries were paid out of the 2008 Bond fund, the work these salaries paid for, and the city division and department of these workers. If this information is not available, the City Manager shall so inform the Finance Committee.
4. An accounting of all 2008 Parks and Trails Bond funds that were placed in the Suspense Account.
5. The annual reports to the SEC (Securities Exchange Commission) that were made regarding the 2008 Parks and Trails Bond funds.
6. Any City Council packets regarding the 2008 Bond projects that were provided to the Governing Body as a whole from 2008 until the present.
7. An inventory and efficiency report on the irrigation audits of at least twenty parks projects

1 that included irrigation installation(s) and/or modification(s) in the 2008 Bond implementation plan.  
2 This inventory and efficiency report shall be managed by the Water Resources and Conservation  
3 Division in coordination with suitable Parks Division staff who currently hold an EPA/Water Sense  
4 Certification identified as Qualified Water Efficient Landscaper. This assessment shall analyze the  
5 installation and efficiency of the irrigation systems implemented with the 2008 Bond funding. If this  
6 irrigation assessment is not complete within thirty (30) days of adoption of this resolution, the Final  
7 Accounting Report will still be presented to the Finance Committee within the time frame provided  
8 for in this resolution.

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

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

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

- 19 a) The City of Santa Fe Fraud, Waste and Abuse hotline
- 20 b) The State Auditor's Hotline.

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

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

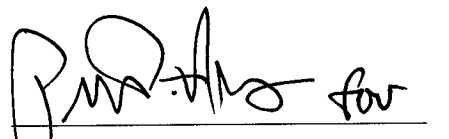
4           **BE IT FURTHER RESOLVED** that the Finance Committee shall use this information to  
5 direct staff to determine whether any problems that occurred during the disbursement of the funds  
6 from the 2008 Parks and Trails Bond can be remediated.

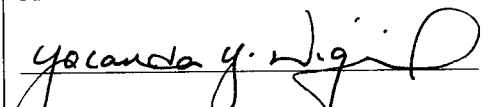
7           **BE IT FURTHER RESOLVED** that within 30 days of the delivery of the Final Accounting  
8 Report on the 2008 Bond, a similar interim report on the 2012 Parks & Trails Bond be delivered to  
9 the Finance Committee.

10           **BE IT FURTHER RESOLVED** that members of BTAC, POSAC and its successor  
11 commission, will work with City staff to review the management report related to the 2008 Parks  
12 Bond, and complete a basic inventory of the parks.

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

15           PASSED, APPROVED AND ADOPTED this 27<sup>th</sup> day of May, 2015.

16  
17   
18 JAVIER M. GONZALES, MAYOR

19  
20 ATTEST:  
21   
22 YOLANDA Y. VIGIL, CITY CLERK

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPROVED AS TO FORM:



---

KELLEY A. BRENNAN, CITY ATTORNEY