



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
NOVEMBER 2, 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 10/30/15 TIME 11:15

SERVED BY Yolanda Brea

RECEIVED BY [Signature]

Regular Finance Committee – October 5, 2015

INFORMATIONAL ITEMS

6. Update on Art in Public Places Program. (Debra Garcia Y Griego)
7. Presentation on Standards of Cover Guidelines for Santa Fe Fire Department. (Erik Litzenberg)

CONSENT AGENDA

8. Request for Approval of Bid No. 16/02/B – Agreement Between Owner and Contractor for Camino Capitan, Vereda Rodiando, Paseo de Tularosa, Paseo de Canto Water Main Replacement Project; Sasquatch, Inc. (Bill Huey)
9. Request for Approval of Bid 16/06/B – Parks Playground Shade Structures Installation and Agreement Between Owner and Contractor; Sarcon Construction Corporation. (Jason Kluck)
10. Request for Approval of Procurement Under Cooperative Price Agreement and Professional Services Agreement – Parks Playground Shade Structures Materials; The Playwell Group, Inc. (Jason Kluck)
11. Request for Approval of Procurement Under Cooperative Price Agreement and Agreement Between Owner and Contractor – City of Santa Fe Senior Centers Improvements Project; Cooperative Educational Services (CES)/AnchorBuilt, Inc. (LeAnn Valdez)
12. Request for Approval of Two (2) 2015 State of New Mexico Severance Tax Bond Capital Appropriation Project Agreements – Salvador Perez Pool and Santa Fe Public Health & Safety Infrastructure; State of New Mexico Department of Finance and Administration, Local Government and Approval of Budget Increase in the Amount of \$950,000. (David Chapman)



Agenda

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

13. Request for Approval of Toilet Retrofit Purchase Agreement – Two (2) Toilet Retrofit Credit Buy Backs for Water Division; Murtagh Nevada, LLC and Approval of Budget Increase in the Amount of \$651,900. (Andrew Erdmann)
14. Request for Approval of Sub-Grant Agreement and Award – 2015 State Homeland Security Grant Program for Police and Fire Departments; New Mexico Department of Homeland Security & Emergency Management and Approval of Budget Increase in the Amount of \$199,000. (David Silver)
15. Request for Approval of Fiscal Year 2015-2025 Emergency Apparatus & Vehicle Fleet Plan for Fire Department. (Jan Snyder)
16. Request for Approval of Budget Adjustment to Fund Professional Services Agreement with Atkinson & Co., LTD. for 2008 Park Bond Examination Engagement in the Amount of \$160,303 which was Approved by City Council on October 14, 2015. (Oscar Rodriguez)
17. Request for Approval of Fiscal Year 2016/2017 Salary Increase for Municipal Judge after the 2016 Municipal Election Per Ordinance 2012-001. (Oscar Rodriguez)
18. Request for Approval of an Ordinance Amending Section 21-7.1 SFCC 1987 to Clarify that Nonresidential Establishments Shall Pay a Service Rate; and Amending Exhibit B: Refuse and Recycling Rate and Fee Schedule of Section 21 to Increase Rates by 4.9 Percent for Residential Curbside Collection and by an Average of 16 Percent for Commercial Recycling in Order to Purchase Necessary Equipment to Transition the Residential Recycling Program from Manual to Automated Collection. (Councilor Ives) (Nick Schiavo)

Committee Review:

Public Utilities Committee (scheduled)	11/04/15
City Council (request to publish)	11/10/15
City Council (public hearing)	12/09/15

Fiscal Impact: Expenditures = \$2.2 million; Revenue = \$220,000

The revenue, approximately \$220,000 per year would be used to pay off a New Mexico Finance Authority Loan in the amount of \$2.2M. The loan would be paid off within 10 years.

19. Request for Approval of a Resolution Establishing Design Standards for Alterations and New Construction at the Santa Fe Airport Terminal Building; and Providing for Historic Preservation Division Design Review in Consultation with the Chair of the Historic Districts Review Board. (Councilor Lindell) (David Rasch)



Agenda

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

Committee Review:

Public Works Committee (scheduled) 11/09/15
City Council (scheduled) 11/10/15

Fiscal Impact – No

20. Request for Approval of an Ordinance Amending Section 24-2.6 SFCC 1987 to Add a Truck and Other Large Vehicles Traffic Restriction to East De Vargas Street Between Paseo De Peralta and Canyon Road. (Councilor Maestas) (John Romero)

Committee Review:

Public Works Committee (approved) 10/26/15
City Council (request to publish) 11/10/15
City Council (public hearing) 12/09/16

Fiscal Impact – No

21. Request for Approval of a Resolution Amending Resolution 2015-50 to Permit the Use of City Force Account Work to Complete Parks Related Projects as Authorized by the Governing Body. (Councilors Lindell, Dominguez, Trujillo and Maestas) (Oscar Rodriguez)

Committee Review:

Parks and Recreation Commission (approved) 10/20/15
Public Works Committee (approved w/amendment) 10/26/15
City Council (scheduled) 11/10/15

Fiscal Impact – Personnel and Fringe Benefits costs will be determined based on the scope of work, on a project by project basis.

END OF CONSENT AGENDA

DISCUSSION

22. Discussion on Impact Fees Residential 50% Reduction Sunset. (Reed Liming)
23. Request for Approval of Professional Services Agreement – Security Guard Services for Municipal Parking Facilities (RFP #16/06/P); G4S Secure Solutions, Inc. (Robert Rodarte)



Agenda

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

24. Request for Approval of a Resolution Establishing Policies for Guiding the Management of the City's Finances and for Assisting the Governing Body and City Staff in Evaluating Current Activities and Future Plans. (Mayor Gonzales) (Oscar Rodriguez)

Committee Review:

Public Works Committee (postponed)	10/13/15
Finance Committee (postponed)	10/19/15
Public Works Committee (scheduled)	11/23/15
City Council (scheduled)	12/09/15

Fiscal Impact – Could affect the realigning the city's expenditure and revenue collection patterns, which may increase spending in some area (i.e. maintenance and capital improvements) while decreasing it in others (i.e. recurring operations funded through bond proceeds). It will also advance the annual budget calendar, with the first draft being presented in January instead of the customary March-April timeframe.

25. Discussion on Possible Re-funding of 2006D Water Utility Bonds. (Oscar Rodriguez)
26. MATTERS FROM THE COMMITTEE
27. 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, November 2, 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		2-3
APPROVAL OF MINUTES – OCTOBER 5, 2015	Approved	4
<u>INFORMATIONAL ITEMS</u>		
UPDATE ON ART IN PUBLIC PLACES PROGRAM	Information/discussion	4-6
PRESENTATION ON STANDARDS OF COVER GUIDELINES FOR SANTA FE FIRE DEPARTMENT	Postponed to 11/30/15	6
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING POLICIES FOR GUIDING THE MANAGEMENT OF THE CITY'S FINANCES AND FOR ASSISTING THE GOVERNING BODY AND CITY STAFF IN EVALUATING CURRENT ACTIVITIES AND FUTURE PLANS	Moved forward w/changes	6-17
REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT – PARKS PLAYGROUND SHADE STRUCTURE MATERIALS; THE PLAYWELL GROUP, INC.	Approved	17
REQUEST FOR APPROVAL OF TWO (2) 2015 STATE OF NEW MEXICO SEVERANCE TAX CAPITAL APPROPRIATION PROJECT AGREEMENTS – SALVADOR PEREZ POOL AND SANTA FE PUBLIC HEALTH & SAFETY INFRASTRUCTURE; STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$950,000	Approved	18-20

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF TOILET RETROFIT PURCHASE AGREEMENT – TWO (2) TOILET RETROFIT CREDIT BUY BACKS FOR WATER DIVISION; MURTAGH NEVADA, LLC, AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$651,900	Approved	20-23
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 21-7.1 SFCC 1987, TO CLARIFY THAT NONRESIDENTIAL ESTABLISHMENTS SHALL PAY A SERVICE RATE; AND AMENDING EXHIBIT B: REFUSE AND RECYCLING RATE AND FEE SCHEDULE OF SECTION 21 TO INCREASE RATES BY 4.9% FOR RESIDENTIAL CURBSIDE COLLECTION AND BY AN AVERAGE OF 16 PERCENT FOR COMMERCIAL RECYCLING IN ORDER TO PURCHASE NECESSARY EQUIPMENT TO TRANSITION THE RESIDENTIAL RECYCLING PROGRAM FROM MANUAL TO AUTOMATED COLLECTION	Approved w/direction to staff	24-28
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 24-2.6 SFCC 1987, TO ADD A TRUCK AND OTHER LARGE VEHICLES TRAFFIC RESTRICTION TO EAST DE VARGAS STREET BETWEEN PASEO DE PERALTA AND CANYON ROAD ***** END OF CONSENT CALENDAR DISCUSSION *****	Approved	28-29
<u>DISCUSSION AGENDA</u>		
DISCUSSION ON IMPACT FEES RESIDENTIAL 50% REDUCTION SUNSET	Information/discussion	30
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SECURITY GUARD SERVICES FOR MUNICIPAL PARKING FACILITIES (RFP #16/06/P); G4S SECURE SOLUTIONS, INC.	Approved	30-31
DISCUSSION ON POSSIBLE REFUNDING OF 2006D WATER UTILITY BONDS	Information/discussion	31-33
MATTERS FROM THE COMMITTEE	Information/discussion	33-34
ADJOURN		34

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, November 2, 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, November 2, 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 GOVERNING BODY MEMBERS IN ATTENDANCE:

Mayor Javier M. Gonzales

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Kelley Brennan, City Attorney
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Elizabeth Martin for 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.

2. APPROVAL OF AGENDA

Chair Dominguez would like to move Item 24 to the front of the agenda.

Mr. Rodriguez said staff requests postponement on Item #7, noting it has gone to Public Works, and it needs to be posted so this Committee can take action on it.

Mr. Rodriguez said the caption of Item 13 is incorrect, noting it is a request for only one toilet retrofit, noting we aren't ready for the other one.

Chair Dominguez asked to remove Item 7 from the Informational Items and postpone it to the next meeting of the Committee.

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

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

4. APPROVAL OF CONSENT AGENDA

Chair Dominguez asked Mr. Rodriguez to please make sure Mayor Gonzales knows we are going to hear his bill first on the agenda this evening.

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

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

CONSENT AGENDA

8. REQUEST FOR APPROVAL OF BID NO. 16/03/B – AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CAMINO CAPITAN, VEREDA RODIANDO, PASEO DE TULAROSA, PASEO DE CANTO WATER MAIN REPLACEMENT PROJECT; SASQUATCH, INC. (BILL HUEY)
9. REQUEST FOR APPROVAL OF BID 16/06/B – PARKS, PLAYGROUND SHADE STRUCTURES INSTALLATION AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; SARCON CONSTRUCTION CORPORATION. (JASON KLUCK)
10. *[Removed for discussion by Councilor Maestas]*
11. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT – PARKS PLAYGROUND SHADE STRUCTURES MATERIALS; THE PLAYWELL GROUP, INC. (JASON KLUCK)

12. *[Removed for discussion by Councilor Lindell]*
13. *[Removed for discussion by Councilor Lindell]*
14. REQUEST FOR APPROVAL OF A SUB-GRANT AGREEMENT AND AWARD – 2015 STATE HOMELAND SECURITY GRANT PROGRAM FOR POLICE AND FIRE DEPARTMENTS; NEW MEXICO DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$199,000. (DAVID SILVER)
15. REQUEST FOR APPROVAL OF FISCAL YEAR 2015-2025 EMERGENCY APPARATUS & VEHICLE FLEET PLAN FOR FIRE DEPARTMENT. (JAN SNYDER)
16. REQUEST FOR APPROVAL OF BUDGET INCREASE TO FUND PROFESSIONAL SERVICES AGREEMENT WITH ATKINSON & CO., LTD., FOR 2008 PARK BOND EXAMINATION ENGAGEMENT IN THE AMOUNT OF \$160,303, WHICH WAS APPROVED BY THE CITY COUNCIL ON OCTOBER 14, 2015. (OSCAR RODRIGUEZ)
17. REQUEST FOR APPROVAL OF FISCAL YEAR 2016/2017 SALARY INCREASE FOR MUNICIPAL JUDGE AFTER THE 2016 MUNICIPAL ELECTION PER ORDINANCE 2012-1
18. *[Removed for discussion by Councilor Maestas]*
19. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING DESIGN STANDARDS FOR ALTERATIONS AND NEW CONSTRUCTION AT THE SANTA FE AIRPORT TERMINAL BUILDING; AND PROVIDING FOR HISTORIC PRESERVATION DIVISION DESIGN REVIEW IN CONSULTATION WITH THE CHAIR OF THE HISTORIC DISTRICTS REVIEW BOARD (COUNCILOR LINDELL). (DAVID RASCH) Committee Review: Public Works Committee scheduled) 11/09/15; and City Council (scheduled) 11/10/15. Fiscal Impact – No.
20. *[Removed for discussion by Councilor Lindell]*
21. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION 2015-50 TO PERMIT THE USE OF CITY WORK FORCE ACCOUNT WORK TO COMPLETE PARKS RELATED PROJECTS AS AUTHORIZED BY THE GOVERNING BODY (COUNCILORS LINDELL, DOMINGUEZ, TRUJILLO AND MAESTAS). (OSCAR RODRIGUEZ). Committee Review: Parks and Recreation Commission (approved) 10/20/15; Public Works Committee (approved w/amendment) 10/26/15; and City Council (scheduled) 11/10/15. Fiscal Impact – Personnel and fringe benefit costs will be determined based on the scope of work, on a project by project basis.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES – OCTOBER 5, 2015

MOTION: Councilor Trujillo moved, seconded by Councilor Maestas, to approve the minutes of the Finance Committee meeting of October 5, 2015, as presented.

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

INFORMATIONAL ITEMS

6. UPDATE ON ART IN PUBLIC PLACES PROGRAM. (DEBRA GARCIA Y GRIEGO)

Debra Garcia y Griego, Director, Arts Commission, presented information from her Memorandum of October 22, 2015, to the Finance Committee, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

Councilor Maestas said he asked for this update. He asked how the money works in our own set aside, or if it can be used for something else.

Ms. Garcia y Griego said the City technically receives 99% of the set asides coming through the Legislative process, and the 1% for public art is directly transferred to the State which operates its own public art program. Those funds, like ours, are tied to a specific project. She said the State is dealing with a significant backlog of projects. She said she recently reviewed a list of the State's set asides back to 2004. She said because it's 1%, sometimes it's a small amount, and that's where they kick in with their purchase program, so we work with sites to make sure that the right people from those sites, whether it's the Chavez Center, the Fire Department or Police Department, that the right representatives are sitting on those Committees and get to pick out the piece of art that will be put in their facility.

Ms. Garcia y Griego said when there are larger amounts they do site specific commissions. Unfortunately, the large amounts to the City have been few and far between during the past few years, noting the last one she remembers was tied to the Southside Library. They worked with staff at the Library and put in a little more funding from the City so we could have a really big piece, noting it is the giant piece that hangs in front of the entrance to the Southside Library. She said that is also how they accomplished the Camino Real pieces that are in Frenchy's Field and DeVargas Park, by pooling those funds. So they are certainly open to working us when we can, but generally, those amounts tend to be so small it's really better to do the purchase program and purchase something from an artists or a gallery.

Councilor Maestas said some of the feedback he received from the Gallery Association on Canyon Road, is that our own Arts in Public Places was critical to the arts community during the recession in helping them to stay afloat. It's a really good program, and he is glad to see it continuing to flourish. He thanked Ms. Garcia y Griego for the update.

Chair Dominguez asked the difference between purchase value and retail value.

Ms. Garcia y Griego said, "The program goes back nearly 30 years. So we may have commissioned a piece from a now significant or deceased artist, say Jerry West who is still very much alive, but no works as much as he once did. He did the mural outside Land Use. So at that time we may have paid him \$10,000 for the piece. That is the purchase value in the \$1.8 million. In fact, that piece probably is worth a lot more now that it has accumulated in value as he's done less and less work. The actual fair market value of the collection is probably significantly higher than \$1.8 million."

Chair Dominguez would like a ball park figure, and asked if there is a way to do that.

Ms. Garcia y Griego said to get a really good sense of a fair market value, we would have to work with a professional art appraiser to go in and really look at some of those pieces. Some would certainly gain significantly in value, others would decrease. She said, "I don't think we really have the resources to do that. However, I'm very interested in doing an internship with one of our local college students, to go in and inventory the collection, photograph it, do an assessment of the condition and through that we may be able to work with an art appraiser who might be willing to donate their services for some of the more significant pieces, the evaluation the City really should have for its records."

Chair Dominguez noted that the program funding source is 2% of revenue bond proceeds. He asked if thought has been given to changing that.

Ms. Garcia y Griego said, "I would love to expand that. When the Ordinance was done in 1985, it was 1%. When Mayor Delgado left office he introduced a change to take it to 2%. At that time, Santa Fe was one of the few cities in the country that had 2%, now you see programs with 3 or 4%. So it would be really great to look at increasing it. It would be interesting to see, within the confines of bond funding, what we can do to encourage more media arts which frankly weren't around when this project was going on, especially for our young people, and also some ways to provide for some maintenance of our pieces, because we have an expanding collection that we have no way to care for financially."

Chair Dominguez said then you obviously are satisfied with that funding source.

Ms. Garcia y Griego said the CIP is a great funding source. She said if we wanted to look at raising revenue for public art that wasn't necessarily City-driven, there are lots of models around the country for how you can do that, whether developer driven, or rental car taxes. There are lots of different ways of bringing in revenue streams for public art.

Councilor Lindell asked if we have a complete inventory of acquisitions year by year.

Ms. Garcia y Griego said, "Yes, Councilor Lindell, we do have a complete year by year inventory."

Councilor Lindell asked about storage – how do we deal with that.

Ms. Garcia y Griego said one of the benefits of doing site specific commissions they tend to stay where they are supposed to. She said as we move into this, we don't have a lot of two-dimensional or smaller works that move around. Most of those are located inside 'this' build, for instance, the Tommy

Macaione painting out there is one of those. It is very secure on the wall and we can keep an eye on. She said, "As we move toward this purchasing, you have identified what will be a real issue, which is making sure those pieces stay where they are, if somebody rearranges or we do a remodel, that the piece is stored securely. Right now that's not a problem, but if we really start moving toward a heavy purchase program, it will become an issue."

Councilor Lindell said then we don't have smaller pieces in our collection. She asked, "When we acquired the college did we acquire a collection there."

Ms. Garcia y Griego said, "Yes, we did acquire the art collection at the University of Art & Design with the purchase of the building. There is an agreement as to how the pieces must be stored, and where they can be used, but that agreement does allow, upon mutual agreement, for them to be taken out and put on display other places. I think twice now, we've done an inventory of those pieces and where they are."

Councilor Lindell said then we have a good inventory of all the pieces there also.

Ms. Garcia y Griego said it was a challenge, but "I think Lisa Martinez and I would agree that we have a pretty solid inventory of all the pieces at this point, because there are some very significant pieces in that collection, particularly around the photograph collection."

7. PRESENTATION ON STANDARDS OF COVER GUIDELINES FOR SANTA FE FIRE DEPARTMENT. (ERIK LITZENBERG)

This item was removed from the agenda and postponed at the request of staff.

24. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING POLICIES FOR GUIDING THE MANAGEMENT OF THE CITY'S FINANCES AND FOR ASSISTING THE GOVERNING BODY AND CITY STAFF IN EVALUATING CURRENT ACTIVITIES AND FUTURE PLANS. (MAYOR GONZALES). (OSCAR RODRIGUEZ) Committee Review: Public Works Committee (postponed) 10/13/15; Finance Committee (postponed) 10/19/15; Public Works Committee (scheduled) 11/02/15; and City Council (scheduled) 12/09/15. Fiscal Impact – Could affect the realigning of the city's expenditure and revenue collection patterns, which may increase spending in some areas i.e. maintenance and capital improvements), while decreasing it in others (e. recurring operations funded through bond proceeds). It will also advance the annual budget calendar, with the first draft being presented in January instead of the customary March-April timeframe.

A copy of the subject Resolution, with changes indicated, submitted for the record, is incorporated herewith to these minutes as Exhibit "1."

Chair Dominguez thanked everyone who provided input to this bill. He said Mayor Gonzales will articulate the proposed changes.

Mayor Gonzales said he is asking that the Committee adopt or approve the Resolution so it can move forward to Public Works for discussion. He has looked at most of the proposed suggestions by the Chair and Councilor Maestas, and he didn't see anything that would move outside of the intent. He noticed the request of the Committee didn't make it on the front page regard the five values of making sure the budget is equitable and allow for participation from the community.

Mr. Rodriguez said that wasn't put in the substitute bill.

Mayor Gonzales that was the recommendation of the Committee, so that needs to be added prior to Public Works in the Whereas statement. He said on page 18, Transfers from Enterprise and the comment talking about the fair market value for the City rights of way to be discussed as it relates to enterprise fund. He said he thinks that should be covered on the revenue side, because there does need to be fair consideration given to the City by any entity that uses our rights-of-way. He said generally, we need to make sure the City is charging fair market use for rights of way and City property. He said Mr. O'Reilly has started to work on those already.

Mayor Gonzales asked, regarding the point Councilor Dominguez raised on the issue of the transfers in excess coming from the enterprise funds, if it was his intent on that to be a proper payment to cover costs of using rights-of-way and other City infrastructure by utilities that are earning revenues off that City infrastructure.

Chair Dominguez said we can take lines 14 and 15 and part of 16 and incorporate that under Revenues, Section C in Subsection 7, so a new section under Alignment. That captures that. It basically said exactly what it says here. He said he has questions in the second sentence, Subsections A, B, C and D.

Councilor Maestas asked for clarification, which version are we working on – the one in the packet or the one just distributed [Exhibit "1"].

Chair Dominguez said it is the one that was distributed this afternoon [Exhibit "1"].

Chair Dominguez said part of that can go in there as well, but that's a little more specific in exactly how a particular fund might get used. Especially Subsection D, where it says, "*Working capital within that fund cannot be relied on to balance other funds.*" The language is a little. He said, "I would at the very least, suggest lines 14, 15 and part of 16 go to the New Revenue Section. But essentially yes, it does capture what you talked about."

Mayor Gonzales said, "To get clarification. I think the intent was to describe what net revenue was from the enterprise fund, so if we just brought into focus, the Water Fund, it would be *net revenues, the balance of recurring revenue, after deducting costs of operations and maintenance, including fair market value for the use of the City's extensive rights of way and debt service.* So that first sentence kind of

capture what we consider net revenue from the Water Fund or any other enterprise – net revenue generated by the City's enterprise funds shall be used for... And I think this a critical component as far as the issue of transparency and the Council and the public feeling comfortable about what happens when you have these excess revenues. *Capital investment, repair and replacement, debt management, revenue stabilization and working capital with the fund and not be relied on to balance other funds.* So that addresses the issue of using excess cash in other funds to balance other funds that we have. It says, 'Only the revenue that remains after these needs are satisfied and the working capital reserve is built to a level equivalent to 12% annual expenditures shall be deemed excess revenue.' I think that's an important component to keep in here, although obviously in the issue of the transition or how we move toward right sizing government, there is going to be a period, Oscar, that the Council should determine the ability to continue to use for a period of up to whatever number of years. The way the language is, is there is no flexibility for the Council to use excess revenues though, to continue a bridging strategy for a period of time."

Mr. Rodriguez said as you will recall, the intent of this was to be a guide for years – times of thick and times of thin. And this is not an Ordinance that says it shall be done this way. So, I would take that as guidance that there is where we are trying to get to, and there should be a plan. I would urge you to not look at the language here as final, as even descriptive of current situations, but rather what is a good practice. If you said nothing about that, in a tight spot, we would do what was necessary to bring you a balanced budget, and at that point you would consider it with lenses on. At least we would all know the direction in which we are going.

Chair Dominguez said, "I understand and respect that. I think as long as Oscar is around and maybe this administration, then things certainly will go in that direction, but as policymakers, I think when you leave some things a little too open-ended it can be a little dicey, especially for future governing bodies. I understand the intent, but I think we need to be a little cautious. For instance, if you look at line 16, and you look at some of the subsections, when we say, '*Net revenue generated by the City's enterprise funds shall be used for (a) capital investment,*' is that just for that fund the net revenue is being calculated for, or are you going to allow that net revenue to be used in other enterprise funds. I just think that the more specificity we have, especially with this kind of polity, it's better, because it leaves no question about the intent and how it is used and moved around. Again, I agree with the intent but I think the language could be tightened up there."

Councilor Dominguez continued, "The only other question I had on that last sentence, lines 18-20, was the 12%, if I remember correctly, Oscar, was a percentage.... how was that calculated."

Mr. Rodriguez said, "That comes only as excess. It does not compete with the affected fund's ability to pay its needs. It comes only after its paid all of its needs and on top of that, generated 45 days of working capital. The 12% is what other communities are charging. I recommended that when we first discussed this, because after listening to a lot of debate about how this is calculated fairly, I went to communities that had gone through that debate and litigation of that and settled on what they thought would be fair market value. Some communities go as high as 15%."

Chair Dominguez said he understands these are guiding principles policies, and asked that amount in real dollars.

Mr. Rodriguez said it is \$4.7 million, but we only transferred \$3.8, because the money being paid from the utility to carry these non-personnel was \$900,000.

Councilor Maestas said, "I think in my comments I recommended we strike the whole section, because it's a very controversial issue right now. We have current policy and I'm not clear if this would supercede existing policy, and the current policy sunsets at the end of this fiscal year. There are still some questions about the whole notion of commingling enterprise funds that are considered excess. And I guess that definition is still a moving target. But legally can we move excess commingled enterprise funds and designate them for other purposes. Whatever comes from those revenues generated can be used only for that enterprise."

Councilor Maestas continued, "And the other thing, we're going to have a discussion a little later about what to do with the 2006 D Bonds in the Water Fund. If my math serves me right, and people need to know that the water fund really is operating at about a \$3 million loss, so revenues are falling short in covering expenditures. The GRT subsidy is covering that loss. I can surmise the accumulate reserves in the Water Fund have been GRT revenues above what was paid by the bonds and covering the operating losses. Can those GRT revenues be used for other purposes. I think it's a little more complicated than that, and I would like to see a legal opinion from our City Attorney about both those issues."

Councilor Maestas continued, "I think the broader picture of this effort is a compilation of all these financial practices we've been engaged in, but not formalized, and this will formalize it, and I support that. But throwing in these unresolved issues like transfers from enterprise funds, I think really muddies it up. It really loses the intent of what this is trying to do. I don't think it should be in there. I think we need to have a separate debate and consider appropriate amendments to that policy that sunsets at the end of the fiscal year, with regard to transfers, especially from the water fund. Maybe if you define what net revenues are from the perspective of an enterprise, but buying that, in terms of defining what excess is and even suggesting a use for that excess is probably not appropriate for this legislation."

Chair Dominguez asked for clarification, "So you include lines 14, 15 and 16 as part of that question you have. There is no question to me that if it was a private entity that was providing us with that water using our rights of way, we would be charging them for that. We can have the discussion about defining net revenue, which is a worthy discussion. But the concept of charging the utility for use of our right of way seems to be pretty common to me."

Councilor Maestas said, "I can speak to that. I think if we appraised the use of the right of way, that amount would be far below the most recent transfer. We need to be careful. If we're going to assess the General Fund, we'd better be careful, because if it is solely based on use of right of way, and someone asked to appraise the right of way, I've been told it would be minimal, minimal in relation to what we have already transferred. If we going to continue with a transfer policy, it needs to be much broader."

Chair Dominguez said he hasn't seen those numbers.

Mayor Gonzales said, "I agree with all of you, but I think this paragraph or section is trying to accomplish a whole bunch that maybe we don't need to yet, per Councilor Maestas' thoughts. The first is the definition of net revenue, which I believe does allow the establishment of a fair market value for the use of the City's rights of way. And that can be determined through a franchise fee or some appraisal that is done. I want to be sure there is some payment by the enterprise funds to the City for the use of our infrastructure or assets whatever that may be."

Mayor Gonzales continued, "The next sentence says, '*The net revenue generated by the City Enterprise shall be used for...*' so we basically lay out what they can use that money for, and everything is meant to stay in that fund, to Councilor Dominguez's other point about making sure it is very clear. Not that net revenue could be used in different fund but in that enterprise fund. I think to Councilor Maestas' point, you are correct. I agree that I would eliminate that last sentence, '*Only the revenue that remains after these needs are satisfied and the working capital reserve is built*'. I think we need to answer the question, and I think that needs to be as a full Council. But there should be a marker in there, because there needs to be some policy that deals with that excess cash."

Mayor Gonzales continued, "And if we're talking specifically on the Water Fund, you are right, there are a number of revenues that have gone into it. I think it probably was a contribution that came in because of that second tier during our drought cycles. And I think we're under water this year, because of the amount of rain we had during the summer. So that will happen to the utility for sure. When we have good wet summers revenues goes down, and go up in dry summers, and the second tier kicks in and that's where the extra cash comes in. The wisdom was very sound, when the Council set that first tier of \$6 for the first 6,000 gallons, you developed a whole business model for the utility around the first tier. So everything we plan and prepare for is off tier 1 pricing, what we know is going to be the use over time. That includes deferred maintenance, operations, all those thing."

Mayor Gonzales continued, "The second tier came in to push conservation to stop using as much water. I think the growth occurred largely because of that second tier, and it went into excess cash. This won't always be a recurring thing. I think the investment into smart meters will notify people when they are close to using their allotment, and it's going to curve even more use of water which means these excess revenues will go down over time. However we accumulated the \$88 million of excess cash that is sitting there, I think, over time, based on some of the investments we're making, it will go down, so this won't always be a recurring thing. We should have a policy of what happens when we have tiered models generating money above beyond what is being priced to cover normal costs of operations, plus capital and deferred maintenance."

Councilor Maestas said the language is good up to near the end of 18. He suggested a subject change, instead of Transfers from Enterprise Funds, maybe Protected Enterprise Funds.

Mayor Gonzales said we could just say Enterprise Funds, or modify and add that any excess funds are subject to Council policy. He asked to eliminate "only the revenue," in the last sentence and add, "excess revenues that exist in the enterprise funds are subject to Council Policy in how to be dealt with." He wants to do that in a timely manner, because in moving out of our current financial situation there will

be a need to use some of the excess cash to help get us through the next two years, or make sure it stays available as an alternative to any type of revenue or tax increases.

Chair Dominguez said the Mayor's assessment on the history of the water funds is correct, noting there was significant debate at the time. The idea was not to penalize the tier 1 customers just getting vegetation or garden started.

Mayor Gonzales said the Council hit its marks, going from 165 gallons per person a day to less than 100, so that policy is the foundation that will allow Santa Fe to weather lots of drought cycles. He reiterated we have to deal with excess cash reserves from a policy point of view. He said this was effort by Oscar and himself, to offer up some policy direction. This needs to be addressed by Public Works or by the time it goes to the Council.

Chair Dominguez asked the feeling of the Committee about moving lines 14-16 to New Revenue.

Mayor Gonzales said under Revenues, we can insert a line that states that the administration should put into play, all assets and rights of way as a means to optimize revenue for our budgets.

Mr. Rodriguez suggested putting that on page 7(E) so you make the statement that enterprises will pay for use of right of way.

Mayor Gonzales said it isn't not just rights of way. The City just approve a contract with a telecom carrier for revenues for the use of an existing tower. He said Mr. O'Reilly continuously is talking about ways to optimize use of City lands and assets for revenue cycles. He said we set some policy direction on that and be encompassing.

Councilor Rivera asked, on page 6, line 11, what is "comparable communities." He said he sees competitiveness, the revenue or tax burden of the City relative to neighboring communities has been stricken, the whole sentence and then all that is left is comparable communities.

Chair Dominguez said, "Neighboring communities is one ways to look at our revenues and the big picture. Santa Fe is very unique, we're historic, we're an aging community, so there are things that are significant to Santa Fe that do not match comparables in neighboring communities. It really to say, let's not just look at neighboring communities, let's look at comparable communities. If there is a neighboring community that kind of has our same demographics, progressive policies, that's fine, but I didn't just want to just limit it to neighboring communities."

Councilor Rivera said so that would be added to the previous sentence which is not stricken, or is it just neighboring communities that is stricken.

Councilor Maestas that was his suggestion. He struck it because felt it didn't apply under new revenues. He said in this context, competitive is like our tax policy. If you put competitiveness under new revenues, that doesn't incentivize us to generate new revenues. It could be a consideration when we make a decision to generate new revenue, that it be pro-business, but doesn't know how you can generate

new revenue without getting feedback from business. He said he felt it didn't belong under new revenues, but knows what it's trying to stay.

Councilor Rivera asked, regarding the positions that were listed, since they are still there, he presumes we have appropriately titled positions for people who already are holding those titles, and Mr. Rodriguez said yes.

Councilor Rivera said the first is on page 9, where it says Chief Procurement Officer, is that the title that he holds right now.

Mr. Rodriguez said yes, and that's the title of the State legislation. He said communities call their procurement officers different things, and they often wear many hats, but the State said there has to be only one person that carries the title.

Councilor Rivera asked, in our Human Resources Department, is what Mr. Rodarte is titled, Chief Procurement Officer.

Mr. Rodarte said he is the Procurement Officer, not Chief.

Mr. Rodriguez said, "Again, what we're trying to do here is to not write it based on what we already have, but what the State requires. We could very well add other titles to it tomorrow, but there should be somebody who has those duties."

Councilor Rivera said we have someone with those duties, and he wants to make sure titles are the same so we aren't creating new positions, or just calling people what they are in our Human Resources Department.

Chair Dominguez said, "I agree, because as long as Oscar and this administration is here, we understand the intent. You could get someone new who would come in and say, this policy does not match what is on the books, that "gives me the right to create that position." He thinks it would be wise to be as specific as you can, especially if it will ease our concerns.

Mr. Rodriguez said he was once a Chief Procurement Officer, and what is important here is that there is only one person who has that job. You can have many procurement officers, noting he had 124 procurement officers reporting to him. And the last thing we wanted to communicate was that they all had equal authority. There is only one person with that title. You can call these many things over time, but there can be only one chief procurement officer, as long as whatever you call them is there.

Councilor Rivera said whether we change the title to match what is in here, and change Robert's title, or change this to match what Robert's title currently is, "I don't care how you do it, as long as it matches."

Councilor Rivera said on page 14, line I, there is an Investment Officer position.

Mr. Rodriguez that is her title, and he took her input to write all of this, and the reason that title matches in here.

Councilor Rivera said on 15, line 13, there is a Cash Management and Investment Advisor, and asked who holds that position.

Mr. Rodriguez said it is the same person, as far as this policy goes, one person has all of those duties, all of that role.

Councilor Rivera asked if that is specified somewhere.

Mr. Rodriguez said if the Council wants to change these thing, they can do so. The whole idea is to put it before us. Somebody has to have those duties, that role. And if it's one person, or two people, it is clear that roles are put there.

Councilor Rivera said understands, but somebody could read this and say, the administration appoints an investment officer, and reiterated his concerns.

Mr. Rodriguez said the Council will have the last word because you approve it. So at any point if you deem that isn't in concert with the policy you've set, you take it out of the budget.

Councilor Rivera said so one person holds the positions of Investment Officer and Cash Management and Investment Advisor, and Mr. Rodriguez said yes.

Chair Dominguez said, "Unfortunately because of things that have happened in the past, it's a reflection of the Governing Body wanting to be absolutely clear and sure about what it is that is happening, so there is no wiggle room for the administration or even for the Governing Body. And I appreciate Councilor Rivera's comments and concerns."

Mr. Rodriguez said, "I understand."

Councilor Lindell page said on page 3 at the bottom, Item 6 starting on line 20, she doesn't want to wordsmith this today, but conceptually she is unsure if that gives us enough time. "If we see a budget February 1st to have 2 hearings for citizen comment during April and May, we're getting pretty tight if we're doing that in April and May, just a comment.

Councilor Lindell said on page 7 item E, User Fees, she thinks these are Councilor Maestas' proposed changes, starting on line 5, and Councilor Maestas said yes.

Councilor Lindell said, "I'm not completely in agreement with striking all of this. It seems to me, I understand what you're saying about violating and except for enterprise funds. But it seems to me, that if we struck the first sentence and kept the rest with what that says in talking about user groups and providing easier access to programs or encouraging participation by certain targeted groups, I think we cover ourselves with that. And I would be much more comfortable if we only struck lines 5-6, the sentence

that starts with 'City services.' And if we did keep, 'the City will seek to recover' and left all the rest of that in."

Councilor Lindell said, "At the end of line 16, where it says, '*based on designated priority of the program within City provided services.*' In reading that sentence, I'm not exactly sure what that means."

Councilor Maestas said that isn't his proposed amendment, and thinks it was the Chair's amendment.

Chair Dominguez said he thinks the intent was to have a priority identified when we reviewed the fee the year before, and to actually try to measure the success of that. It's not that clear in here, but I think that was the intent. In other words, we've established a priority based on the fee we have, whether it's free or a severely reduced cost. We want to be able to back and look to see if that priority just isn't feasible, it's not serving the community the way we thought it would, but to recognize it as a priority and review that. He said, "That can be more clear."

Councilor Lindell said she is just saying that it is telling us that each year every department will develop fee recommendations and "I think that is a fine idea." She said, "Other than what we hashed over, I'm pretty good. I'm just asking Mayor to go back to page 18."

Councilor Maestas said he wants to respond. He said his only concern that we recover all costs of services in our fees, and there are circumstances where we can't do that, but we have a lot of enterprises that are bleeding money. He said, "If we pass this, are we really going to try to adjust these fees to break even. To name a few, MRC, Genoveva Chavez, Airport, Public Transportation, CVB. I don't want us to enact these policies we know we can't meet, even if they are aspirational, they would be impossible."

Chair Dominguez said he thinks it would be good to look at that gap annually, either way. We need to see it, recognize it and the community needs to do so as well. There is a gap also in General Fund operations which is significant.

Councilor Lindell said, "My point is, when we start to make the list of where we are not meeting the cost of services we provide, I think that information is extremely valuable to us. Unfortunately, I think we would be kind of shocked at the size of that list and I suspect it would bring a jolt of reality to all of the City. I think that exercise is needed and I think it would be very helpful to us. We have caveats in here that unless the City interest is identified and approved by the Governing Body to reduce a specific fee, I think we need to take on the responsibility for reducing those fees. I think that is a very long list. It's something that needs to be done."

Mayor Gonzales said Councilor Lindell and Councilor Dominguez bring up the right points. However, the intent here is recognizing a number of areas that we subsidize. We don't have those numbers, and hope here was create more transparency to know how much we are forgoing revenues for community interest. He thinks it is important to have that as a part of the annual budget, because there are costs to that. He wants to quantify it so we understand a little better.

Councilor Maestas asked if there are there any specific user fees where we realistically can recover the actual costs.

Mayor Gonzales said the Convention and Visitors Bureau comes to mind. The issue of Transportation needs to be excluded, because by its nature has to have the public subsidy. He said in all cases we ought to try to seek the cost for the use of facilities and assets, but if we choose not to, we need to understand the impacts of doing that.

Chair Dominguez said he doesn't want to look at individual operations tonight, but we do need to get that list.

Councilor Lindell said, "To get realistic about this, I also think we should review all of our enterprise funds. When you say that we would be violating it except for enterprises, I think some of the enterprise funds never break even. I don't know why they are enterprise funds. Some of them have never generated positive revenue. I think taking a look at those also is worthwhile. I don't know when they were designated enterprise funds, but maybe, really and truly they aren't enterprise funds."

Councilor Maestas so it might be more productive maybe if this had more of an evaluation component to it, rather than the aspirational we will strive to recover fees. He said that might be better, and there is a lot of work in evaluating all of our fee based programs, all of our enterprise funds.

Councilor Lindell said, "That goes back to asking on page 7, just to clarify. My comfort level would be with... I'm fine to strike the first sentence, starting on line 5, but I would like to 'repick up' on line 7, the sentence 'The City' and continue on down through that. So that's what I have Chair, thank you very much."

Chair Dominguez said, "I am going to strike line 16 and 17, the language I have there, until I can articulate it a little bit clearer."

Chair Dominguez said, "I think we should continue to dialogue with ourselves and among one another whenever it is appropriate, to get more clarity. I think though, that generally speaking and overall, the intent has been laid out and it's there. The majority of all the amendments that had specifically Councilor Maestas are in there, both yours and mind. At the very least, I've taken note some of what else has been discussed here, Oscar, and I'll work with you on that as well, with the Mayor. I still have a little.... I will just say this, I still have a little heartburn over the timing and consistent with Councilor Lindell's comments, but I don't think it necessarily needs to be resolved tonight. I think as we continue to go through, we can kind of flesh some of that stuff out."

Councilor Maestas said, for clarification, right now other than the amendments we made to this marked-up section, all the other amendments in there stand.

Chair Dominguez said, "What I have, the last page, where the significant amendments are, and I don't know if we want to provide the amendments more than direction. But one of them was that lines 14-16 be moved under User Fees. And this has to do with the section that deals with the enterprise funds."

Mayor Gonzales said, "I don't know that they would be moved, because we still need to identify what net revenue is for the enterprise funds, but that the user fees specifically would call out the need to generate revenues for City rights of way or assets that are being used. Right."

Chair Dominguez said, "And to refine 16-18, making sure we are specific that the funds, enterprise or otherwise, are not commingled, and that we are reaching the intent there. And Mayor Gonzales said that he wanted lines 18-20 to have a placeholder there for how to deal with the excess cash."

Councilor Maestas said, "But everything else stays, all the other amendments."

Chair Dominguez said, "Everything else stays. Again, when we get to Council if we're adamant about something we can provide some amendment sheets to that. The other thing I caught was Councilor Rivera's request to have appropriate titles identified throughout the document where possible. And did I miss anything else."

Councilor Maestas said, "I just wanted to make a few comments, and these are recommendations. I made some specific comments, track changes to the document, but I also had some general comments that I provided to everyone, including the Mayor. And I think we addressed all of them, with the exception of a couple. I think we need a section under Existing Revenues where we periodically evaluate the adequacy and appropriateness of existing revenues and consider changes to the levels and dedications. We have a lot of, for example GRT dedications that have not discussed in many, many year, and I think it's healthy for us to evaluate has it met its intended purpose, should we continue this dedication at these levels or should we reconsider."

Councilor Maestas continued, "We have been making a number of land sales and I think land sales, by Ordinance should go to Economic Development. I know there could be a conflict here with.... you mentioned land sales as a example of new revenue. I think the revenue from land sales already is spoken for, and I believe it's supposed to go to Economic Development. So if you could address that, but I've asked Matt and I know Matt's our Asset Manager, and I think we really needed such a position. I think he's doing a great job, but what I would like to see in here is that we include a periodic asset inventory and a management plan to help guide related decisions – land sales, leases and such. I think that would be a really good addition to this document."

Mayor Gonzales said he thinks both of those would be really good additions. He said, "If we can add that language, Oscar. I think Councilor Maestas' point about the intent of original revenues and how, through time, the budgeting process moves those revenues into other items that are away from the intent. It's a really good add-on that we are regularly evaluation to make sure those stay in place. And you're right, in terms of the asset plan and updated regularly, so the Council knows what assets are in play for revenue generation versus not to be part of any policy discussion."

Chair Dominguez asked Mr. Rodriguez if he has the 5 values the Mayor wanted to include in the Whereas and knows where to fit them in.

Mr. Rodriguez said then to be sure, the 5 principles become Whereas, or do they become sort of the guiding principles.

Mayor Gonzales said it is meant for both – guiding policy and in the value statements.

Mr. Rodriguez said he will insert a new section called The Guiding Principles of Financial Management Policy and outline those principles.

MOTION: Councilor Lindell moved, seconded by Councilor Rivera, to move this forward to the City Council.

DISCUSSION: Councilor Lindell said conceptually we have made a lot of progress on this, and we've given direction on how we want it to look, but she certainly wants to see it move forward to the Council so we can take action on this item.

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

Mayor Gonzales thanked the Chair and the Committee.

Chair Dominguez said there is still a lot of work to be done on our budget.

CONSENT CALENDAR DISCUSSION

10. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT – PARKS PLAYGROUND SHADE STRUCTURE MATERIALS; THE PLAYWELL GROUP, INC. (JASON KLUCK)

Councilor Maestas said based on the record in the packet, the price agreement expired on October 31, 2015, and asked if we still can buy these shade structures.

David Pfeiffer, Director, Facilities Division, said they are in the process of renewing that State Price Agreement. He said something has happened, and if they not able to renew it by the time we get through Council and go to contract there is another HGAC contract they already are approved on at the same pricing, so we can fall back on that contract.

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

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

12. REQUEST FOR APPROVAL OF TWO (2) 2015 STATE OF NEW MEXICO SEVERANCE TAX CAPITAL APPROPRIATION PROJECT AGREEMENTS – SALVADOR PEREZ POOL AND SANTA FE PUBLIC HEALTH & SAFETY INFRASTRUCTURE; STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$950,000. (DAVID CHAPMAN)

Councilor Lindell asked who established the priorities on this – did the Council make the priorities on these.

David Chapman asked Councilor Lindell if she is speaking of the specific traffic calming project.

Councilor Lindell said no. She said, "We have two Severance Tax Bond Capital Appropriation Project Agreements. I'm just wondering who made the requests on these. Were these prioritized by the Council."

Mr. Chapman said the second one has been vetted through the City Council and the appropriation for Salvador Perez as he understands, has been on the ICIP. He said both projects have been on the ICIP appropriation and then weighted there. He asked if that answers her question.

Councilor Lindell said, "Not really. Let's go to part B. One part of this on page 37, we've got \$77,500 to construct placement of City of Santa Fe Welcome signage at major entrances to the City. Who requested that."

Mr. Chapman said, "I don't know."

Chair Dominguez said, "We had our legislative priorities that we established. So basically, if I remember correctly, this is funding for some of those quality of life, public health and safety infrastructure improvements. So there were no specifics on some of the requests we had when we made those Legislative priorities. They kind of just give us the money, and some of it is through Santa Fe County, right."

Mr. Chapman said the City will be the fiscal agent for these two appropriations, but they are all legislative appropriations funded by the State through Severance Tax Bonds.

Councilor Lindell said she is still unclear, and asked, "Did we ask specifically. Do we know. I mean \$77,500 worth of signs. I used to be in the sign business. That's a lot of signage."

John Romero, Director, Traffic Division, said, "So during last year's ICIP process, I'm not sure which Councilor requested it, but it was requested from staff to come up with a cost estimate to put major signage at the entry-way into town. And this isn't just a sign that says Santa Fe. It's a major Welcome to Santa Fe sign. The design hasn't been done yet. We're waiting for this money, but it could be something from a basic exterior panel sign with reflective sheeting that says City of Santa Fe, Population whatever, or it could be potentially, if permitted by FHWA and the DOT, something with vigas, adobes and ristras, who knows. But it's a major entry sign, but it was at the request of a Councilor, I can't recall which one."

Councilor Lindell asked how many signs we will have.

Mr. Romero said the initial estimate was for 3, and believes we have identified 4 potential major entry locations – when you enter town. He said if this agreement is executed by the City, we will work with Convention & Visitors Bureau to figure out where and how the signs look.

Councilor Maestas said he suggested those 1-2 years ago and Councilor Rivera supported the concept of creating these unique context sensitive gateways at all major entry points into the City. He said he didn't envision this to be just pure signage at this point, and feels we could invest those funds in the sign. He said the signs should be significant, reflect the character of the area, or even the area you are coming into. He said, "I don't want us to go in the opposite direct and just go with generic signage at all entry points. I think they need to be unique, context sensitive and characteristic of the area of the gateway to Santa Fe. In terms of selecting these, I didn't have anything to do with selecting these, but this was a project I advocated for."

Councilor Rivera said looking back on the discussion, he recalls that the Legislators were looking for something that would be beneficial city-wide and all of them could support. He said this is one of the items that met that criteria, so most of it came through direction from the Legislature about some of those projects that may be funded that would provide benefit to everybody.

Councilor Lindell said on page 49 we have \$150,000 for professional standards building improvements, and asked who can address that.

Mr. Chapman said, "We do have a steering committee involved in the placement and the type of signage that will go up with that last appropriation. We have members from the planning committee, from Tourism, a neighborhood association, GIS and Engineering. We welcome you to attend our next planning meeting when we consider that."

Councilor Rivera asked, for clarification, if that was part of where the Police was going to partner with the Southwest Transit Center to make that building part of the Transit Center as well as the Police Department.

Chair Dominguez asked Mr. Rodriguez to clarify this, and suggested perhaps Mark Duran can help us with that. He said this is all money from the legislature fulfilling our requests or complying with our list. He asked Mr. Chapman if he has an answer as to what the Professional Standards Building Improvements refers to, and Mr. Chapman said he can't find his spreadsheet.

Chair Dominguez asked Mr. Rodriguez to get this clarified.

Mr. Chapman said he found the spreadsheet. He said we're talking about \$150,000 for the Southwest Center building improvements. He said the City is moving into the building and sharing that City-owned facility with Transit and the Police Department. He said he understands the construction will be for the records and inside the building.

Mr. Rodriguez that project is a much bigger project, and you will see it as part of the capital improvement plan as well. He said it is shared, noting the ultimate cost will be more than \$1 million. He said there are design components of each for \$123,000 each. He said perhaps we can pull this item and bring it back to the Committee with the detail you need, and a much better staff work-up, and perhaps alongside the Capital Improvement Plan so you can compare the two.

Councilor Maestas said he wants to keep this moving forward. He said we've heard about that the State Auditor has determined there is more than \$1 billion in unspent capital outlay fund, and he doesn't want Santa Fe included in this total. He thinks these are questions we can get answered along the way. His preference is to keep this moving forward.

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

DISCUSSION Chair Dominguez said he agrees it's important to keep this moving forward, and it is also very critical that these questions get answered, and the Memo is clarified. He said if we need to pull it at Council and postpone it, that can be done.

VOTE: The motion was approved on a voice vote, with Councilors Maestas, Rivera and Trujillo voting in favor of the motion, no one voting against and Councilor Lindell abstaining.

13. REQUEST FOR APPROVAL OF TOILET RETROFIT PURCHASE AGREEMENT – TWO (2) ONE (1) TOILET RETROFIT CREDIT BUY BACKS FOR WATER DIVISION; MURTAGH NEVADA, LLC, AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$651,900. (ANDREW ERDMANN)

Councilor Lindell said she doesn't completely understand what we have here. She asked the reason we are purchasing toilet retrofits \$651,900.

Andrew Erdmann, Water Division said these credits were issued by the City, and the idea at the time was that were incentivizing people to conserve water and could save a great deal of water by replacing these toilets. The City gave people a certificate which came to have a value for a little space in our system. As time has passed, we've replaced that model with giving people a break on their water bill for a certain cash value to account for costs incurred in making the upgrade. He said, "There is still a bunch of existing space in our system that doesn't belong to use. Land Use is in a position to see that for 'sub-threshold development,' developments below 10, 7½ or 5 afy, depending on where they land sort of in the residential to commercial spectrum. We have a really hard time keeping a balance available for the Water Budget Accounting Office to sell for those types of development. So this is a way for us to buy back some of the existing space in our system, so Land Use can sell that so we can continue to have space to back those sales."

Councilor Lindell said part of her concern is for those systems we have people wanting to buy these that are doing fairly small projects.

Mr. Erdmann said this is correct.

Councilor Lindell said, "Let's take it to the end game. Once these gone then what."

Mr. Erdmann said, "We are continuing to purchase water rights in the meantime. I'll be back before too long with an additional water rights purchase. Our ability to buy water rights is constrained by people's interest in selling them to us, and that it take 2 years to close a sale, due to the pace of working with the State to do those things. So our intention is to keep buying these back to keep that balance in black, while simultaneously buying water rights. This is 54.3 afy. At the rate we've been developing since 2009, we're using about 16 afy, so this gives us a couple to work on continuing to purchase water rights. And by the time the availability of these toilet credits are gone, we're hoping we've built up a fairly good balance of water rights to continue the sales."

Councilor Lindell asked if the amount we're paying – how much is that in terms of the open market.

Mr. Erdmann said we're paying roughly 20% less than they did to acquire the credits. He said as structured now is that we're offering \$12,000 afy to purchase these and when sold through the Water Budget Office they are sold for \$16,600 afy. That money would then go back to the fund to be available for future purchases.

Councilor Lindell said, "When I see that a company called Murtaugh Nevada LLC, owns many, many, many water credits.... how did that happen."

Mr. Erdmann said, "As best as I understand it. They were owned originally by a company that did a lot of construction here in town, and they're no longer doing work here. They've since been purchased by Murtaugh of Nevada. They were actually intending to build in an area that was being considered for annexation at the time, although it ended up not becoming annexed. So they haven't pursued their project. And although they still own the piece of land, they are now in the county for the foreseeable future. And the County won't accept these retrofit credits should they choose to develop that property. So, basically through the recession going badly, some of these big construction companies purchasing some fairly large but somewhat smaller companies, that's how these ended up out of state."

Councilor Lindell said they own a lot of these. She said it looks like we making money on them, but the truth is we're offering them a terrific service, because "good luck them to sell them off on their own."

Mr. Erdmann said, if they were to sell them on their own, he supposes they would hope that people at the City, like himself, or his equivalent in the Water Budget Office would put individuals in touch with them in order to negotiate this on the sly. He said he doesn't know exactly how they would go about selling this quantity of them on their own.

Councilor Lindell said she thinks we're being very being generous, and asked how we decided on the amount we are paying.

Mr. Erdmann said the \$12,000 per afy is the former going rate for what we paid to buy actual water

rights. He said they are of greater value in the sense that we don't have to go through the transfer with the State, but of lesser value in that they actually don't expand our water rights portfolio. They allow us to do this internal accounting for development.

Councilor Lindell if we have considered reopening the negotiation on the cost.

Mr. Erdmann said we did some negotiating, but he hasn't considered renegotiating since that time.

Councilor Lindell said she feels we're offering them a huge, huge service and for us to get 20% is not as much money as we could get from this. She said it is almost like we have created this commodity.

Chair Dominguez that is an argument and a debate that many previous City Councils have had.

Councilor Lindell said that's because it's an obvious one to have. She said she is not convinced that we are maximizing our fiscal position in this and that we may be able to do better than this.

Mr. Erdmann said he understands their concerns. He said a lot of this happened a number of years ago, and we're in a situation where we don't own the space in our system, which is the issue he's looking at from the water manager side of this. He isn't sure how to address the fact that we created this commodity and doesn't know how else to undo that.

Chair Dominguez said it is a political kind of debate.

Councilor Trujillo asked if there is any possibility of renegotiating.

Mr. Erdman said, "It seems to me that \$12,000, it's hard to say if it's a fair price, but he doesn't know of anyone else who has these for a comparable price. In comparison with water rights, it's a very good deal. There is sort of a perverse thing with water rights where the greater the size of your quantity, the more it's worth per unit, which is counter intuitive, but that is how it tends to work with water rights. The fact this company has such a significant number of these, makes it easier for us from an administrative standpoint to acquire enough to back this thing for a long time. As opposed to doing a lot of purchasing. For example, there are a lot of individuals who replaced a toilet in their house and have one, so we'd have to do 2,000 transactions to come up with the same quantity of water available."

Councilor Trujillo asked who else is in the game – are we the only game in town.

Mr. Erdmann said we are the only ones in the game for them, with the exception that there potentially is some business to done among the entities themselves, but ultimately, we're the only ones who redeem these credits.

Councilor Trujillo said then we're the only one that can redeem these.

Mr. Erdmann said that's right.

Chair Dominguez said, "If I understand you correctly, what you're saying is that, based on your professional experience and knowledge that his is a pretty good rate from a water management perspective, and not necessarily a rate payers perspective."

Mr. Erdmann said yes.

Nick Schiavo, Director, Public Works Department, said, "I think it's a good deal for the water ratepayers, because we will net \$4,400 per afy. It's a good deal for a couple of other reasons. The Land Use Department is low on water rights. We're in charge of getting those for them, and this will make sure that we won't slow up any small development in town. Andrew talked about the 5 to 10 afy, based on residential mixed and commercial. And that last point is that when we go to buy water rights it does takes quite a bit of Andrew and our Staff Attorney's time to negotiate these things and go through the process. And, as Andrew said, I think you had said up to get those, so, it is my opinion that this is a good price and a good deal for the City."

Councilor Trujillo asked if it took 2 years to negotiate this contract.

Mr. Erdmann said, "No. This contract is much faster, because since we're the only agency involved and they don't have through the State Agency. These already reside here, so when we purchase them in the Middle Rio Grande, there's a transfer process. If they're of significant quantity, they tend to be protested, at which point we have to go to hearing and Court and that's where the 2 years comes in as kind of an average. It can be many years for a protested application."

Councilor Trujillo asked how long does this process take.

Mr. Erdman said this will be very quick. "If it gets Council approval, we can write the check to them and start selling these things, the water budget, immediately."

Councilor Trujillo said, "I want to know how long it took for you guys to negotiate with them."

Mr. Erdmann said he misunderstood the question. He said, "I would say it was back and forth over the course of a month to 6 weeks to arrange how we do this and to get the contract finalized."

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

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

18. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 21-7.1 SFCC 1987, TO CLARIFY THAT NONRESIDENTIAL ESTABLISHMENTS SHALL PAY A SERVICE RATE; AND AMENDING EXHIBIT B: REFUSE AND RECYCLING RATE AND FEE SCHEDULE OF SECTION 21 TO INCREASE RATES BY 4.9% FOR RESIDENTIAL CURBSIDE COLLECTION AND BY AN AVERAGE OF 16 PERCENT FOR COMMERCIAL RECYCLING IN ORDER TO PURCHASE NECESSARY EQUIPMENT TO TRANSITION THE RESIDENTIAL RECYCLING PROGRAM FROM MANUAL TO AUTOMATED COLLECTION (COUNCILOR IVES). (NICK SCHIAVO)**
Committee Review: Public Utilities Committee (scheduled) 11/04/15; City Council (request to publish) 11/10/15; and City Council (public hearing) 12/09/15. Fiscal Impact: Expenditures = \$2.2 million; revenue - \$220,000. The revenue approximately \$220,000 per year would be used to pay off a New Mexico Finance Authority Loan in the amount of \$2.2 M. The loan would be paid off within 10 years.

Councilor Maestas said he remembers we took up this issue at the Public Utilities Committee, and he thinks the concept of going to single stream is something for which we have been aspiring, and something he supports. This will represent an expansion of service and it is only natural that we revisit our rates. He said, however, during that discussion, Mr. Schiavo mentioned that we have an existing loss on the residential side that the commercial side is compensating for. He said he thought the Committee gave direction to Mr. Schiavo to come up with rate structure that would pay for the debt service associated with buying the recycling carts and plug the operating loss. He asked if the proposed rate structure will do both of those.

Mr. Schiavo said, "It will do both. A couple of quick points. As a total, the Environmental Services Division collects enough money each year to remain in the black, and the next proposed increase isn't until 2017. He said if you look at the breakdown between commercial versus residential, residential does lose money each year and that is made up from commercial. I spent some time talking with our financial analyst, going over the different options and what the recommendation is. And what I came up with is, I am recommending that we go forward with this. I think one of the things that will happen is we will see more material going into recycling and that will decrease our tipping fees. It's my hope that we actually will be able to not be back in 2017 for an increase, but to push that into 2018. It will also help the bottom line and it will decrease the amount residential is being subsidized. So, I hope that makes sense."

Councilor Maestas said, "Well, it makes sense, but I think you made a decision, and it was different from the direction that we gave you at Public Utilities, so I have an issue with that. The other issue I have is that we are also going to increase commercial recycling.... are we going to increase commercial fees as well."

Mr. Schiavo said, "Yes. The commercial fees are left alone. I am recommending that we do increase commercial recycling. If you take a look at the history, in 2009, actually there has been an increase 2009-2015 on everything except commercial recycling. It was left for some reason flat at about 1/3 to 40% of the cost of regular commercial. So I'm recommending, through this change, that we bring commercial recycling to 50% of the cost of commercial pick up."

Councilor Maestas said, "I did a calculation, and to make up for this \$300,000 operating loss, instead of the proposed 68¢ it should be more like \$1.61, requiring an additional 93¢ on top of the 68¢ increase. Is that something you think you can make up between now and 2017."

Mr. Schiavo said, "I'm all for that increase, but as I said, as a whole the division is in the black for now. And so, if I started collecting additional money, then we would definitely put off a rate increase. I would have to recalculate the numbers. We may not have to come back for a rate increase until 2018, 2019 or 2020. And I can work those numbers if that is what you interested in. I was just trying to do an increase solely for expansion of services associated with automated recycling for residential."

Councilor Maestas asked how much in the black we are, because we're borrowing. And if we're in the black and have reserves, why are we borrowing money.

Mr. Schiavo said, "We have very little money. We are in the black. We are collecting enough, but not enough for me to go out and borrow \$2.2 million and have enough to pay that debt service over a 10 year period."

Councilor Maestas he said the Water Fund, is an enterprise, there is rate stabilization, coverage for debt and all these contingencies, and asked the reason we don't have the same for solid waste.

Mr. Schiavo said, "We do. We still have 9 years left on debt service, and so we have funds set aside to cover that, and I believe we also have funds set aside for rate stabilization. It's a smaller debt service and the annual operations for Solid Waste is about \$14 million per year."

Councilor Maestas said, "I'm not itching to increase rates but we have to be careful, because if we really don't have a policy, a capital improvement fund in solid waste, and we're hoping tipping fees will go down with the recycling program, but if that doesn't materialize and we have to revisit another rate increase, and we still have the annual operating loss of \$300,000 on the residential side, then we won't look good."

Councilor Maestas continued, "So, I'm okay, you made a decision, and it's a lower rate and you think we can plug the operating loss on the residential side, but I would prefer that each enterprise be self-sustaining and self-sufficient, and that one doesn't subsidize another. Here we're raising rates and we have an opportunity to correct that, and we're not. So we did have a discussion in Public Utilities. This is a staff recommendation, it's a lower rate. Obviously it's good all the way around for everybody. When we go to the well we need to make sure we get enough and not have to come back in 2 years."

Councilor Maestas continued, saying these are his comments, but reiterated, "Again, what is before us is not consensus at Public Utilities."

Chair Dominguez asked if this bill is the one you heard at Public Utilities or is it a different bill.

Councilor Maestas it wasn't a bill, it was a concept of doing this, purchasing the recycling carts to go to single stream and borrowing the money. And the concept was to pay for it with a one-time rate increase. He said, "We said, this rate increase may cover the carts, but we have a \$300,000 annual operating loss on the residential side. Since we're going to raise rates, let's fix that, and to ensure in the future we have at least some in our reserves for capital purchase, instead of having to borrow the money and pay for it through rates. Right now at the Water Fund, we have adequate existing reserves to make capital improvements."

Chair Dominguez asked Mr. Schiavo if this bill is a compilation of the discussion at Public Utilities, noting Councilor Ives' name is on it. He asked Councilor Rivera if he can answer the question.

Councilor Rivera said, "The way I recall, is direction was given to Nick to see what it would take to make up the difference in revenues we were receiving from residential versus commercial. I don't think there was anything specific about make sure we increase rates enough that both are sustainable. I think it was more direction to take a look at it and come back with your own proposal. And I think that's what we have is really Nick's, in discussion with the Finance Department, to say we think we're sustainable as we are. We don't think we need to raise rates. And I think now, with the economy the way it is, and with other proposals that may be coming down the pipeline, that this probably is a very conservative approach. I don't want to be like the Water Company in 10 years and have a huge revenue and budget surplus, with cash reserves just sitting there waiting for trouble. So, to me, this is a nice conservative approach and I appreciate that."

Councilor Maestas said, "I will say that the commercial side of solid waste is subsidizing the residential side, that's not right. I think ideally we should correct the commercial rates to coincide with the operating costs, instead of the excess being used to fund the residential side of the enterprise. And the other thing is to plug the gap. We just had a lengthy discussion about striving to have user fees fully recover the cost to provide that service, and here we're like.... We have an opportunity to do it, it's uncomfortable, but we're not. So that's where I'm coming from, Mr. Chair."

Chair Dominguez said this is going back to Public Utilities, and we have lots of options. We can wait until....this will be at Public Utilities. Do we want this to come back to Finance, or are we comfortable with just sending this to Public Utilities. He will leave this to the Committee.

Councilor Maestas said he mentioned 2 things we're not addressing, and there is another which is a policy to look at the components of the program. He asked what margin do we have to make any kind of improvements in the solid waste enterprise. He thinks we're vulnerable, if we have additional costs, it's harder to go back and increase rates as opposed to going to an appropriate set-aside for reserves for capital improvements. He thinks we need to revisit the policy for the solid waste enterprise and see if we need to add another component to it.

Councilor Rivera asked those funds really separated out like that way, and do we generate revenue from both sides and have expenses on both sides.

Mr. Schiavo there are different business units and they do expense it out that way. He said, "Again the Division as a whole is still in the black."

Councilor Rivera said he would imagine there are funds like that in the Water Division, and you just balance things so that within the Water Division, everything is whole.

Mr. Schiavo said, "Yes. Ratemaking in general is very tough. You try to do your best to have a rate that is going to be fair to that rate class and collect enough money to keep that rate class in the black, but it is tough. I definitely hear what Councilor Maestas is saying, and I don't want to miss an opportunity. And I'm not opposed to going back, but as Councilor River said, I don't want to find myself in a position where I make a recommendation and you call me in 4 years from now and ask why we have so much money. The last piece is that we haven't done a very good job with commercial recycling. And 50% of the total cost is a phenomenal deal. I've been pushing staff and myself to get that out there. And I think's that's how we can help the commercial side and give them an opportunity to save some money."

Councilor Rivera this will save money in other ways that haven't been mentioned, with risk management in terms of decreased injuries.

Mr. Schiavo said absolutely. He said we saw a 30% reduction in workers compensation claims once we switched from manual collection of trash to automated collection.

Councilor Rivera said he would imagine there probably will be a savings in manpower as well.

Mr. Schiavo said, "Absolutely. Right now we are running 10 people who are doing the collection, and with this set-up, we could have as few as 7. And for the first time ever, I actually could have the opportunity to have additional staff to be sent on different routes so we could avoid some overtime. We've been struggling with getting staff, keeping staff, getting staff to show up. So I've been paying more in overtime than I should be paying."

Councilor Rivera said, "With both of those, I feel a little more comfortable with a little more conservative approach to raising rates at this time. I understand completely what Councilor Maestas is saying but prefer, I guess, to ease into it, than to jump in with both feet."

Councilor Lindell said,, "I would rather come to you in 4 years and ask why you have so much money, rather than come to you in 4 years and say you're running at a horrid deficit. I do agree with Councilor Maestas that I would like to see these programs...we're trying to set policy to have them pay for themselves as possible. I has just as soon do it on the front end and wait, and entertain more increases 2 year from now, and 2 years after that. That's just my opinion on it."

Mr. Schiavo said, "I have not quite 48 hours before the PUC meeting, but I could work with our financial person to see if I could develop a rate increase that he is comfortable that we wouldn't have to come back until after 2019."

Councilor Maestas said if we can correct the disparity between the commercial rates and the residential rates, "I think that would be great."

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to approve this request, with the direction to staff.

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

20. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 24-2.6 SFCC 1987, TO ADD A TRUCK AND OTHER LARGE VEHICLES TRAFFIC RESTRICTION TO EAST DE VARGAS STREET BETWEEN PASEO DE PERALTA AND CANYON ROAD. Committee Review: 09/15/15; Public Works Committee (approved) 10/26/15; City Council (request to publish) 11/10/15; and City Council (public hearing) 12/09/15. Fiscal Impact – No.**

Councilor Lindell said she is familiar with this area which only about 2 blocks long, or a 1 long block. She is surprised we have truck traffic there.

John Romero, Traffic Engineer, said, "So am I. It's very tight. I'm not sure what efficiency we'll gain by using it, but there is truck traffic and they keep knocking down the communication lines that are hanging over the road."

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

DISCUSSION: Councilor Rivera said he is not sure this is the appropriate way. He has heard from several of his constituents that said many large vehicles have been driving down Jaguar Drive, especially now that the by-pass is being constructed. And what he's been told is, is that road really appropriate for large vehicle traffic like that.

Mr. Romero said there is a truck ban up to at least Country Club. I talked to contractor who is building the interchange, and they explained to me that they haven't been running their trucks through there. And it's a lot more efficient for them to come directly off the by-pass, and they are not aware of any trucks and the reason they would be going through there. He said right now, constructions are somewhat quiet, and they assured him by word of mouth they wouldn't use it any more. I spoke with a constituent about that and they told me to give him a call as soon as he saw any vehicle traveling there, or any large truck, and I would contact the contractor again and see if I can get them to stop.

Councilor Rivera said then there is a ban from Paseo del Sol to Country Club, and asked if that was before Jaguar extended beyond that.

Mr. Romero said yes, it is from Cerrillos to Country Club, possible Paseo del Sol, but it is at least to Country Club, maybe not all the way to Paseo del Sol. He thinks once this road gets connected it would be a good idea to extend the ban all the way to 599.

Councilor Rivera said there is going to be a commercial area at the end of Jaguar where that interchange is going to happen, so he's not sure it would need to go all the way to 599, but maybe to Villa Verde Court. He is unsure if it is appropriate to put this on now.

Chair Dominguez said what we can do is to ask Mr. Romero to look at that for us.

Mr. Romero said if it goes to 599, it is a more identifiable identification point. It won't prevent large vehicles from delivering in that area. He said the truck ban ordinances just prevent cut-through, but if they have business there, it isn't prohibited.

Chair Dominguez asked Mr. Romero to get with Jesse and get something introduced in this regard.

Councilor Rivera would like to include it in this proposal, so we don't have to bring it back again in 2 months.

Chair Dominguez asked Councilor Maestas if he is okay with expanding his bill to include that as well.

Councilor Maestas said yes, noting a complaint precipitated this change. He asked how frequently do trucks go through there and take out the overhead wires – is this a frequent occurrence.

Mr. Romero said according to the constituent, it has happened several times since he's had a business there.

Councilor Maestas said he is willing to put this on hold and amend it.

Chair Dominguez said he thinks we can give staff direction to amend the Resolution to include that by the time it gets to Council for a Request to Publish. He said if this violates procedures, he and Councilor Rivera can introduce another Resolution.

Councilor Trujillo asked if these are overhead wires that are getting knocked down..

Mr. Romero said they communication wires overhead that are Comcast or another company.

Councilor Trujillo said you can still do the truck ban, but if the wires have been taken down so many times, shouldn't the wires be raised. He said there will be trucks making deliveries.

Councilor Maestas said there are trees there and some other problems with raising the wires.

Mr. Romero said, "I'm not quite sure why whoever owns those wires don't raise them. According to the constituent is that there aren't a whole lot of deliveries back there, and these people are cutting through there to continue to Canyon Road. For clarification, I'll run it by legal to see if we can add it, and if not, like you said we'll introduce another Resolution.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION AGENDA

22. DISCUSSION ON IMPACT FEES RESIDENTIAL 50%REDUCTION SUNSET. (REED LIMING)

Mr. Liming presented information from his Memorandum of November 2, 2015, with attachments, to the Finance Committee, regarding Impact Fees – Residential Reduction Sunset. Please see this Memorandum for specifics of this presentation.

Councilor Maestas thanked Mr. Liming. He said he is unconvinced that there is any correlation between the amount of impact fees and the construction industry. He said we do have a depressed construction industry, but questions whether it is responsible for us to forego any potential revenue in the future. He doesn't know how bad the industry is. He said when he looks at the \$302,000 in impact fees we aren't collecting in a one year period, he has a difficult time with this. He said he can understand that continuation of this is favorable to contractors and real estate industry.

Chair Dominguez said no decisions are to be made tonight, commenting there are a lot of factors both positive and negative to this issue. He said the Committee should take the time to read this and ask questions.

Councilor Maestas said if you look at the data when there was a full suspension of impact fees, it didn't even move the needle in terms of construction.

Chair Dominguez said there are a lot factors involved. He thanked Mr. Liming for his presentation.

23. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SECURITY GUARD SERVICES FOR MUNICIPAL PARKING FACILITIES (RFP #16/06/P); G4S SECURE SOLUTIONS, INC. (ROBERT RODARTE)

Robert Rodarte, Procurement Officer, presented information from his Memorandum of October 25, 2015, with attachments, to the Finance Committee, in this matter, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

Councilor Rivera said he has never heard of this company, and asked how long it has been in existence.

Mr. Rodarte said for quite some time, noting it is one of the biggest security companies in the nation. He said they have a business license and residential preference. He said it has been in New Mexico for about 8 years.

Councilor Rivera asked the reason they haven't bid on anything with the City previously.

Mr. Rodarte said he doesn't know, commenting "I run into that sometime." He said sometimes they feel the proposal is too small. He said G4S Secure Solutions, Inc., is looking at this region as a region of interest for their Denver market.

Councilor Maestas said he recalls the situation of the previous vendor quite well, and it was a dire situation. He said you didn't bring the extension of the Blackstone contract back to this Committee, saying he thought change over \$50,000 has to come to the full City Council.

Mr. Rodarte said the emergency contract was brought to the Council for approval, and the next section was the extension of the contract. He said the amendment was under \$50,000, so it fell under the approval authority of the City Manager.

Councilor Maestas said when you add the GRT, it is over \$50,000.

Mr. Rodarte said it can go up to \$50,000 without taxes.

Councilor Maestas said when the City was left hanging, we talked about the timeframe to give notice of termination of a contract to the City, noting this is addressed in this contract, and thanked Mr. Rodarte for making that change in the contract.

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

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

25. DISCUSSION ON POSSIBLE REFUNDING OF 2006D WATER UTILITY BONDS. (OSCAR RODRIGUEZ)

Mr. Rodriguez presented information from the Memorandum dated October 26, 2015, with attachments, to Oscar Rodriguez, from George H. Williford, Managing Director, First Southwest, regarding Redemption of Series 2006D Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

The Committee commented and asked questions as follows:

- Chair Dominguez asked how much revenue does the first year generate.

Mr. Rodriguez said \$29 million or 75%, noting \$10 million is going to cash.
- Councilor Maestas said he focused on the numbers provided. He said it needs to be said that the Water Fund is operating at a loss – we are \$3.4 million short in user fees to covering costs.

Mr. Rodriguez said, "If you assume the current debt structure stays in place and you take out the GRTs, then yes, you do not have enough money to pay for debt service. However, the utility is not operating at a deficit." He said the GRTs are restricted to the utility, and cannot be used for anything else.

- Councilor Maestas said the GRTs generated are paying for the 2006 and 2009 bonds as well as covering the operating loss.
- Councilor Maestas said he thinks this is a positive development, and asked for some options, commenting he is pleased that our request is bearing fruit. He said, "I support this."

Mr. Rodriguez the way you can get at the money in the short term is to do a transfer of excess revenue which we did previously. The other way is to eliminate the tax and impose another tax.

- Chair Dominguez said that makes sense, and said he presumes those would be separate actions.
- Councilor Maestas said he alluded to the notion of transferring funds from enterprises to non-enterprise funds. He said he wants a legal opinion on that. He said he doesn't think we can transfer that to the General Fund under any circumstances, reiterating that the City Attorney needs to look at this. He said we need to track how much of the excess revenue is from GRT revenue, and whether or not we can transfer it elsewhere.
- Chair Dominguez said, "Then let's get something in writing from Legal. I think it's worthy of some sort of legal opinion so we can establish clarity."

Mr. Rodriguez said the City Attorney has weighed in on this.

- Councilor Maestas said yes, but not relating to the GRT.
- Chair Dominguez reiterated he believes we need to have clarity on this, and that we need to get a legal opinion from the City Attorney.

Mr. Rodriguez said the transfer of money has been happening for a long time

- Chair Dominguez said, in the spirit of transparency and openness in government, we need to document this and have clarify.

Mr. Rodriguez said he will pass this on to the City Attorney.

- Councilor Trujillo said he supports getting clarification.
- Chair Dominguez said we can't do anything till 2016.

- Responding to Councilor Maestas, Mr. Rodriguez said immediately after we pay off the 2006 bonds there will be savings.
- Chair Dominguez asked, if we had not raised rates then we wouldn't have access to this cash to be able to pay off the debt.

Mr. Rodriguez said yes, the rates were geared to pay off the debt. There is almost \$10 million coming from the second tier and the City's operations, debt structure, etc., was not geared to depend on that. The utility did not build \$90 million in cash at \$3 million a year. He said the reason the rates are so high and in tiers is to encourage people not to use as much water and expect over time that will happen, and we may be seeing some of that starting in 2019. He said when that goes down and the average use is 50 gallons a day, those revenues will go down.

- Chair Dominguez said we're starting to see that from the long term intent, and in the short term, by raising those rights, it gives us ability to use that cash to pay this down.
- Councilor Rivera asked if the 1/4 GRT for water was approved by the voters.

Mr. Rodriguez said he will get back to him, but he thinks it was a State enacted local option tax, specifically for water which is the reason it is restricted.

- Councilor Rivera asked if there is a process for "backing that out for getting away from that," since it is a tax that was approved by the citizens.

Mr. Rodriguez said yes, the Council can eliminate it. He said, "You can't reprogram it, and use it for something different. What you have to do is eliminate it, vote to rescind it, to abolish it. And then, if you wanted to, in a separate action, vote to impose an equal rate on one of the City's remaining GRT increments."

- Councilor Rivera said you talked about the 2009 bond fund balance at the end of 2019 being \$56 million, and asked if that will be the balance at time, or is that the current time.

Mr. Rodriguez said that will be the balance we will have to pay at that time, approximately \$56 million.

26. MATTERS FROM THE COMMITTEE

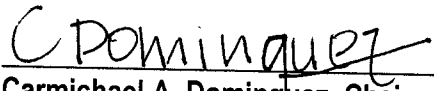
A copy of Bills and Resolutions scheduled for introduction by members of the Governing Body at the Finance Committee meeting on November 2, 2015, is incorporated herewith to these minutes as Exhibit "2."

Chair Dominguez introducing the following on behalf of Mayor Gonzales: An Ordinance authorizing the lease of 29,490 square feet of real property located within a portion of the Northwest Quadrant adjacent to 786 Calle Mejia as shown and delineated on a survey entitled, "Parking Lease Parcel Exhibit," prepared by Rick Chatroop, N.M.P.S. No. 110011, lying within projected Section 14, T17N, R9E, N.M.P.M., in the City and County of Santa Fe, New Mexico. A copy of the Ordinance is incorporated herewith to these minutes as Exhibit "3."

Chair Dominguez said the Committee won't be meeting again until November 30, 2015. He thanked everyone for their work thus far, this year.

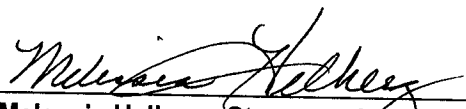
27. ADJOURN

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


Carmichael A. Dominguez, Chair

Reviewed by:


Oscar S. Rodriguez, Finance Director
Department of Finance


Melessia Helberg, Stenographer