



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2016 – 5:00 P.M.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

Regular Finance Committee – March 21, 2016

CITY CLERK'S OFFICE

DATE 4/1/2016 TIME 9:00AM

SERVED BY [Signature]

RECEIVED BY [Signature]

INFORMATIONAL ITEM

6. Update on CIP Project #646 - City of Santa Fe Asset Management Plan Findings to Date. (LeAnn Valdez)

CONTINUATION OF BUDGET DISCUSSION

7. Water Rate Forecast Report. (Jason Mumm)

8. 2008 Park Bond Program.

- Reprogramming of Un-spent Funds. (Robert Carter)
- New Capitalization Policy (Teresita Garcia)

9. General Budget Discussion. (Oscar Rodriguez)

CONSENT AGENDA

10. Request for Approval of Bid No. 16/25/B – Arroyo De Los Chamisos Trail Extension at Santa Fe Place; H.O. Construction, Inc. (Leroy Pacheco)

11. Request for Approval of Bid No. 16/26/B and Construction Agreement – Camino Alire Grade Control and Santa Fe River Improvements; Lockwood Construction Company, Inc. (Melissa McDonald)

12. Request for Approval of Professional Services Agreement – Manage City of Santa Fe Adopt-the-River Stewardship Program (RFP #16/23/P); Santa Fe Watershed Association. (Melissa McDonald)

13. Request for Approval of Professional Services Agreement – Procure Services for the Santa Fe River and Watershed Improvements (RFP #16/20/P); YouthWorks!, Inc. (Melissa McDonald)



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14. Request for Approval of Memorandum of Agreement – School Cross Guard Program for Traffic Engineering Division; Santa Fe Public Schools. (John Romero)
15. Request for Approval of Procurement Under Cooperative Price Agreement – Carlos Ortega Fire Suppression System Installation and Professional Services Agreement; ATI Security. (Robert Montoya)
16. Request for Approval of 1 (One) 2015 Special Session State of New Mexico Severance Tax Bond Capital Appropriation Project Agreement; State of New Mexico Department of Finance and Administration, Local Government Division and Approval of Budget Increase in the Amount of \$227,700. (David Chapman)
17. Request for Concept Approval of Sale of Approximately 280 Square Feet of City-Owned Property Adjoining the Northerly Boundary of 607 Miller Street; David W. Dick and Gloria v. Dick, Trustees of the David and Gloria Dick Revocable Family Trust u/a/d August 26, 2011. (Matthew O'Reilly)
18. Request for Approval of FY 2016/17 Community Development Block Grant (CDBG) Annual Action Plan. (Margaret Ambrosino)
 - Request for Approval of Community Development Block Grant Contracts – FY 2016/17 (CDBG) Allocation for Various Vendors in the Total Amount of \$512,408.
19. Request for Approval of Purchase Agreement – Purchase 1,059 Toilet Retrofit Credits and Approval of Budget Increase in the Amount of \$317,700; Aldea, LLC. (Andrew Erdmann)
20. Request for Approval of Water Fee Reduction Agreement for Homeless Services; Waive Service Charge and Bill for all Water Consumption at a Bulk Rate per Gallons for Savings to the Shelter; The Interfaith Community Shelter. (Caryn Grosse)
21. Request for Approval of Amendment No. 1 to Professional Services Agreement – Intensive Community Monitoring Program for Juveniles; Mary Louise Romero. (Richard DeMella)
22. Request for Approval of Memorandum of Agreement – Sponsor for Monetary Contribution into Mobile Integrated Health Office for Fire Department; Christus St. Vincent Regional Medical Center and Approval of Budget Increase in the Amount of \$100,000. (Andres Mercado)



Agenda

FINANCE COMMITTEE MEETING
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APRIL 4, 2016 – 5:00 P.M.

23. Request for Approval of Professional Services Agreement – FY 2015/16 Completion of Independent Assessment of the Water Utility Billing System Implementation Project for ITT Department; Berry Dunn, LLC. (Renee Martinez)
24. Request for Approval of Amended and Restated Lease – Improvements Premises at 1600 St. Michael's Drive; Santa Fe University of Art and Design LLC. (Kelley Brennan)
25. Request for Approval of an Ordinance Relating to the Sale and Consumption of Alcohol on City Property; Amending Subsection 23-6.2 SFCC 1987 to Authorize the Sale and Consumption of Wine Only in the Areas Designated for Concessions and Seating at Fort Marcy Ballpark in Accordance With State and Local Laws and Regulations. (Councilors Trujillo, Lindell and Ives) (Alfred Walker and Jesse Guillen)

Committee Review:

Public Works Committee (approved)	03/28/16
City Council (request to publish) (approved)	03/30/16
City Business Quality of Life Committee (scheduled)	04/13/16
City Council (public hearing)	04/27/16

Fiscal Impact – No

26. Request for Approval of an Ordinance Authorizing an Amendment to the 2012 *General Obligation (GO) Bond Parks and Trails Implementation Plan* to Reallocate \$311,354 Currently Designated for Various City Park Improvements to Other City Parks With High Maintenance Needs. (Councilors Maestas, Trujillo and Dominguez) (Robert Carter)

Committee Review:

Public Works Committee (approved)	03/28/16
City Council (request to publish) (approved)	03/30/16
Parks and Recreation Commission (scheduled)	04/19/16
City Council (public hearing) (scheduled)	04/27/16

Fiscal Impact – No – As a reallocation, no additional funds from the city are required.

27. Request for Approval of a Resolution Authorizing Staff to Collaborate with the Santa Fe Farmers' Market to Stage a Plaza Farmers' Market one Sunday a Month During June, July, August, and September 2016; Collaborate on a Southside Farmers' Market; and Provide Complimentary Parking During the Week. (Mayor Gonzales and Councilors Dominguez, Trujillo and Rivera) (Richard Thompson)



Agenda

**FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2016 – 5:00 P.M.**

Committee Review:

City Business Quality of Life Committee (approved w/amend)	03/09/16
Public Works Committee (approved)	03/28/16
City Council (scheduled)	04/13/16

Fiscal Impact – Yes - Annual loss of parking lot revenue is projected to be \$28,800 annually at current parking rates for one week day (Tuesday) free parking from 8:00 AM to 1:30 PM during the week day Farmers market.

28. Request for Approval of a Resolution Authorizing Staff to Convert the Family Kitchen at the Santa Fe Community Convention Center Into a Commercially Rated Kitchen Available to Rent by the Culinary Community. (Councilors Lindell, Ives, Maestas and Villarreal) (Randy Randall)

Committee Review:

Public Works Committee (approved)	03/28/16
City Business Quality of Life Committee (scheduled)	04/13/16
City Council (scheduled)	04/13/16

Fiscal Impact – Yes – expenditures = \$34,500 (\$32,000 in capital outlay and \$2,500 in other operating costs); Revenue = \$30,000 from rentals.

29. Request for Approval of an Ordinance Authorizing the Issuance and Sale of the City of Santa Fe, New Mexico Water Utility System Refunding Revenue Bonds, Series 2016 in an Aggregate Principal Amount Not to Exceed \$75,000,000 for the Purpose of Defraying the Cost of Refunding, Paying, Defeasing, Discharging, and/or Restructuring Certain Outstanding Water Utility System/Capital Outlay Gross Receipts Tax Obligations of the City; Providing That the Bonds Will Be Payable and Collectible From the Net Revenues of the City's Water Utility System; Establishing the Form, Terms, Manner of Execution and Other Details of the Bonds; Authorizing the Execution and Delivery of a Bond Purchase Agreement and Escrow Agreement; Approving Certain Other Agreements and Documents in Connection With the Bonds and the Outstanding Refunded or Restructured Water Utility System/Capital Outlay Gross Receipts Tax Obligations; Ratifying Action Previously Taken in Connection With the Bonds; Amending and Restating Ordinance No. 2006-47; Repealing All Ordinances in Conflict Herewith; and Related Matters. (Mayor Gonzales and Councilor Maestas) (Oscar Rodriguez)

Committee Review:

City Council (request to publish)	04/13/16
City Council (public hearing)	05/11/16

Fiscal Impact – Yes



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 4, 2016 – 5:00 P.M.

30. Request for Approval of a Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority to (1) Refund and Defease the City of Santa Fe, New Mexico's Outstanding Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A (Tax-Exempt) and Series 2009B (Taxable Direct-Payment Build America Bonds) and (2) Amend and Restructure The City's Outstanding 2008 Drinking Water State Revolving Fund Loan Agreement #1475-DW and 2013 Drinking Water State Revolving Fund Loan Agreement #2696-DW. (Mayor Gonzales and Councilor Maestas) (Oscar Rodriguez)

Committee Review:

City Council (scheduled)

04/13/16

Fiscal Impact – Yes

END OF CONSENT AGENDA

DISCUSSION

31. Request for Approval of a Resolution Calling for a Feasibility Study for Transit Consolidation Between the City of Santa Fe and The North Central Regional Transit District. (Councilors Maestas and Villarreal) (Isaac Pino)

Committee Review:

Transit Authority Board (discussion item)

03/22/16

Public Works Committee (approved)

03/28/16

City Council (scheduled)

04/13/16

Fiscal Impact – Yes - \$15,000 for professional services

32. MATTERS FROM THE COMMITTEE

33. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521.

**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
April 4, 2016**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-5
<u>APPROVAL OF MINUTES:</u>		
REGULAR FINANCE COMMITTEE - MARCH 21, 2016	Approved	5
<u>INFORMATIONAL ITEM</u>		
UPDATE ON CIP PROJECT #646 - CITY OF SANTA FE ASSET MANAGEMENT PLAN FINDINGS TO DATE	Information/discussion	5-9
<u>CONTINUATION OF BUDGET DISCUSSION</u>		
WATER RATE FORECAST REPORT	Postponed to 04/18/16	9
2008 PARK BOND PROGRAM REPROGRAMMING OF UN-SPENT FUNDS	Information/discussion	9-13
NEW CAPITALIZATION POLICY	Information/discussion	14-15
GENERAL BUDGET DISCUSSION	Information/discussion/direction	15-22
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF 1 (ONE) 2015 SPECIAL STATE OF NEW MEXICO SEVERANCE TAX BOND CAPITAL APPROPRIATION PROJECT AGREEMENT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT DIVISION AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$227,700	Approved	22-24

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – INTENSIVE COMMUNITY MONITORING PROGRAM FOR JUVENILES; MARY LOUISE ROMERO	Approved	24-25
REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT – SPONSOR FOR MONETARY CONTRIBUTION INTO MOBILE INTEGRATED HEALTH OFFICE FOR FIRE DEPARTMENT; CHRISTUS ST. VINCENT REGIONAL MEDICAL CENTER AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$100,000	Approved	25-26
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING STAFF TO COLLABORATE WITH THE SANTA FE FARMERS' MARKET TO STAGE A PLAZA FARMERS' MARKET ONE SUNDAY A MONTH DURING JUNE, JULY, AUGUST AND SEPTEMBER 2016; COLLABORATE ON A SOUTHSIDE FARMERS' MARKET; AND PROVIDE COMPLIMENTARY PARKING DURING THE WEEK	Approved w/direction to staff	26-29
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION CALLING FOR A FEASIBILITY STUDY FOR TRANSIT CONSOLIDATION BETWEEN THE CITY OF SANTA FE AND THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT	Approved w/direction to staff	29-38
MATTERS FROM THE COMMITTEE	Information/discussion	38-39
ADJOURN		39

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, April 4, 2016**

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, April 4, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Mike Harris
Councilor Peter N. Ives
Councilor Renee Villarreal

MEMBERS EXCUSED:

Councilor Signe I. Lindell

OTHER COUNCILORS IN ATTENDANCE:

Councilor Joseph M. Maestas

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Oscar Rodriguez, Finance Director, said staff would like to pull Items #7 and #19 and postpone them to the next meeting, noting staff is gathering more information.

MOTION: Councilor Harris moved, seconded by Councilor Ives, to approve the agenda, as amended.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

10. REQUEST FOR APPROVAL OF BID NO. 16/25/B – ARROYO DE LOS CHAMISOS TRAIL EXTENSION AT SANTA FE PLACE; H.O. CONSTRUCTION, INC. (LEROY PACHECO)
11. REQUEST FOR APPROVAL OF BID NO. 16/26/B AND CONSTRUCTION AGREEMENT – CAMINO ALIRE GRADE CONTROL AND SANTA FE RIVER IMPROVEMENTS; LOCKWOOD CONSTRUCTION COMPANY, INC. (MELISSA McDONALD)
12. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – MANAGE CITY OF SANTA FE ADOPT-THE-RIVER STEWARDSHIP PROGRAM (RFP #16/23/P); SANTA FE WATERSHED ASSOCIATION. (MELISSA McDONALD)
13. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – PROCURE SERVICES FOR THE SANTA FE RIVER AND WATERSHED IMPROVEMENTS (RFP #16/20/P); YOUTHWORKS!, INC. (MELISSA McDONALD)
14. REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT – SCHOOL CROSS GUARD PROGRAM FOR TRAFFIC ENGINEERING DIVISION; SANTA FE PUBLIC SCHOOLS. (JOHN ROMERO)
15. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT – CARLOS ORTEGA FIRE SUPPRESSION SYSTEM INSTALLATION AND PROFESSIONAL SERVICES AGREEMENT; ATI SECURITY. (ROBERT MONTOYA)
16. *[Removed for discussion by Councilor Harris]*

17. REQUEST FOR APPROVAL OF CONCEPT APPROVAL OF SALE OF APPROXIMATELY 280 SQUARE FEET OF CITY-OWNED PROPERTY ADJOINING THE NORTHERLY BOUNDARY OF 607 MILLER STREET; DAVID W. DICK AND GLORIA V. DICK, TRUSTEES OF THE DAVID AND GLORIA DICK REVOCABLE FAMILY TRUST U/A/D AUGUST 26, 2011. (MATTHEW O'REILLY)
18. REQUEST FOR APPROVAL OF FY 2016/17 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ACTION PLAN. (MARGARET AMBROSINO)
 - REQUEST FOR APPROVAL OF COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACTS – FY 2016/17 (CDBG) ALLOCATION FOR VARIOUS VENDORS IN THE TOTAL AMOUNT OF \$512,408.
19. REQUEST FOR APPROVAL OF PURCHASE AGREEMENT – PURCHASE 1,059 TOILET RETROFIT CREDITS AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$317,700; ALDEA, LLC. (ANDREW ERDMANN) This item is postponed to the Finance Committee meeting of April 18, 2016
20. REQUEST FOR APPROVAL OF WATER FEE REDUCTION AGREEMENT FOR HOMELESS SERVICES; WAIVE SERVICE CHARGE AND BILL FOR ALL WATER CONSUMPTION AT A BULK RATE PER GALLONS FOR SAVINGS TO THE SHELTER; THE INTERFAITH COMMUNITY SHELTER. (CARYN GROSSE)
21. *[Removed for discussion by Councilor Harris]*
22. *[Removed for discussion by Councilor Harris]*
23. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – FY 2015/16 COMPLETION OF INDEPENDENT ASSESSMENT OF THE WATER UTILITY BILLING SYSTEM IMPLEMENTATION PROJECT FOR ITT DEPARTMENT; BERRY DUN, LLC. (RENEE MARTINEZ)
24. REQUEST FOR APPROVAL OF AMENDED AND RESTATED LEASE – IMPROVEMENTS PREMISES AT 1600 ST. MICHAEL'S DRIVE; SANTA FE UNIVERSITY OF ART AND DESIGN, LLC. (KELLEY BRENNAN)
25. REQUEST FOR APPROVAL OF AN ORDINANCE RELATING TO THE SALE AND CONSUMPTION OF ALCOHOL ON CITY PROPERTY; AMENDING SUBSECTION 23-6.2 SFCC 1987 TO AUTHORIZE THE SALE AND CONSUMPTION OF WINE ONLY IN THE AREAS DESIGNATED FOR CONCESSIONS AND SEATING AT FORT MARCY BALLPARK IN ACCORDANCE WITH STATE AND LOCAL LAWS AND REGULATIONS (COUNCILORS TRUJILLO, LINDELL AND IVES). (ALFRED WALKER AND JESSE GUILLEN) Committee Review: Pubic Works Committee (approved) 03/28/16; City Council (request to publish) (approved) 03/30/16; City Business & Quality of Life Committee (scheduled) 04/13/16; and City Council (public hearing) (scheduled) 04/27/16. Fiscal Impact – No.

26. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE 2012 GENERAL OBLIGATION (GO) BOND PARKS AND TRAILS IMPLEMENTATION PLAN, TO REALLOCATE \$311,354 CURRENTLY DESIGNATED FOR VARIOUS CITY PARK IMPROVEMENTS TO OTHER CITY PARKS WITH HIGH MAINTENANCE NEEDS (COUNCILORS MAESTAS, TRUJILLO AND DOMINGUEZ). (ROBERT CARTER) Committee Review: Pubic Works Committee (approved) 03/28/16; City Council (request to publish) (approved) 03/30/16; Parks & Recreation Commission (scheduled) 04/19/16; and City Council (public hearing) (scheduled) 04/27/16. Fiscal Impact – No. As a reallocation, no additional funds from the City are required.
27. *[Removed for discussion by Councilor Harris]*
28. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING STAFF TO CONVERT THE FAMILY KITCHEN AT THE SANTA FE COMMUNITY CONVENTION CENTER INTO A COMMERCIALLY RATED KITCHEN AVAILABLE TO RENT BY THE CULINARY COMMUNITY (COUNCILORS LINDELL, IVES, MAESTAS AND VILLARREAL). (RANDY RANDALL) Committee Review: Pubic Works Committee (approved) 03/28/16; City Business & Quality of Life Committee (scheduled) 04/13/16; and City Council (scheduled) 04/13/16. Fiscal Impact – Yes. Expenditures = \$34,500 (\$32,000 in capital outlay and \$2,500 in other operating costs); Revenue = \$30,000 from rentals.
29. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO WATER UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2016, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING, DEFEASING, DISCHARGING, AND/OR RESTRUCTURING CERTAIN OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS OF THE CITY; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE NET REVENUES OF THE CITY'S WATER UTILITY SYSTEM; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND ESCROW AGREEMENT; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS AND THE OUTSTANDING REFUNDED OR RESTRUCTURED WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX OBLIGATIONS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AMENDING AND RESTATING ORDINANCE NO. 2006-47; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND RELATED MATTERS (MAYOR GONZALES AND COUNCILOR MAESTAS). (OSCAR RODRIGUEZ) Committee Review: City Council (request to publish) 04/13/16; and City Council (public hearing) 05/11/16. Fiscal Impact – Yes.

30. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY TO (1) REFUND AND DEFEASE THE CITY OF SANTA FE, NEW MEXICO'S OUTSTANDING WATER UTILITY SYSTEM/CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009A (TAX-EXEMPT) AND SERIES 2009B (TAXABLE DIRECT-PAYMENT BUILD AMERICA BONDS); AND (2) AMEND AND RESTRUCTURE THE CITY'S OUTSTANDING 2008 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT #1475-DW AND 2013 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT #2696-DW (MAYOR GONZALES AND COUNCILOR MAESTAS). (OSCAR RODRIGUEZ) Committee Review: City Council (scheduled) 04/13/16. Fiscal Impact – Yes.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

REGULAR FINANCE COMMITTEE – MARCH 21, 2016

MOTION: Councilor Ives moved, seconded by Councilor Harris, to approve the minutes of March 21, 2016, as presented.

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

INFORMATIONAL ITEM

6. **UPDATE ON CIP PROJECT #646 – CITY OF SANTA FE ASSET MANAGEMENT PLAN FINDINGS TO DATE. (LeANN VALDEZ)**

A copy of *Preliminary Results – City of Santa Fe Asset Management Plan* prepared by Ameresco is incorporated herewith to these minutes as Exhibit "1."

David Pfeifer introduced Jeff Page, Ameresco, who is attending telephonically, noting Mike Boyer from Ameresco is in attendance to answer questions.

Jeff Page, participating telephonically, presented information via power point via the web. Please see Exhibit "1" for specifics of this presentation.

The Committee commented and asked questions as follows:

Chair Dominguez asked Mr. Pfeifer if he has anything further to add, and Mr. Pfeifer said no, but he will stand for questions.

Councilor Harris asked the source of the current funding assumption of \$1.2 million annually.

Mr. Page said he can provide those details, but it came from a discussion with Mr. Pfeifer.

Mr. Pfeifer said there is CIP funding annually, and in that there are capital improvement improvements they have put into play and they total approximately \$1.2 million, depending on the year and what has been done.

Councilor Harris said those basically are historic numbers and Mr. Pfeifer said yes.

Council Harris asked if the 5-year capital improvement plan was integrated into this preliminary study by Ameresco.

Mr. Pfeiffer said no.

Councilor Harris said then the study is not responsive to the facilities condition index or anything that is found "in here."

Mr. Pfeiffer said no. He said the group went building by building, spending many hours going over all the City's assets and came up with this plan.

Councilor Harris said it seems to him that Ameresco should be making some sort of response to the 5-year plan. He said they speak to the same issue of capital improvements over a certain period of time.

Mr. Pfeiffer said it will be integrated, because the things that were asked were by staff which coincide with a lot of things they are finding in the field. So they will mesh somewhat, but Ameresco didn't look at the 5-year plan that we put together initially. However, since they're listening to staff and our needs they will reflect one another a little bit, but not perfectly, because Ameresco has a great history to put behind everything we're looking at, so they can give a new view on what facilities improvements need to be in a 5-year plan, rather than what we were guessing at as a 5-year plan.

Councilor Harris said he would agree, noting a discipline that is incorporated into the study, and some of this is work that needs to be done, but will look differently to staff than in the light of a facility condition index. He said he thinks that's what needs to happen in the future and the direction that we need to be headed.

Councilor Harris asked what happens next, and what is Ameresco's deliverable in this contract.

Mr. Pfeiffer said the next step is for staff to go into the field with the iPads and verify every asset. He said he had hoped that could be done by the end of April, but it probably won't be done until the end of May. He said they have to look at every building, and the first building took a lot longer than he had expected – to go every piece and part to bring it into the system so we can look at everything.

Mr. Rodriguez said when staff did the CIP, it was driven by projects staff was thinking about – not yet a logic, not yet a system for prioritization. He said the next round of the CIP will incorporate the logic and the discipline being proposed by Ameresco, noting at that point the two will come together.

Chair Dominguez asked if there are plans to approve another CIP in the coming budget cycle.

Mr. Rodriguez said yes, every year, noting that cycle/training for staff will happen next week. He said when you approve the operating budget, you also will have a capital budget.

Chair Dominguez said this first time we've had a separate capital budget, and he wants to make sure that will correspond with the work staff is doing so we don't have to amend the budget too much soon after it is approved

Mr. Rodriguez said that is the plan.

Chair Dominguez asked if the timing is working for him.

Mr. Pfeifer said, "I have a feeling it will be a little late, because you're trying to approve a budget in May and we won't have final deliverables until the end of May. He said they will be integrating it, but it won't be finalized by all means."

Chair Dominguez said, "I'll let the Public Works Committee go through it in detail, but I want to make sure as we move through our budget hearings that we keep that in mind, that although we will be approving a Capital Improvement Plan, there is this component that won't be complete, but it will be much better than we've had in the past for sure."

Councilor Ives said when this presentation was made to Public Works, he didn't request much of the background documentation on some of the analytics that created these 4 categories of good, fair, poor and critical. He is still looking for that information, so hopefully, Ameresco can get that information to him sooner, rather than later. He said in the Life Cycle Impact FCI Migration on page 9 of the presentation, it identifies a number of areas where facilities are identified as being in the poor category, including the line items Facilities, General Government, ITT Department, Recreation, Streets and Drainage. So we would begin with that information to look at the CIP Plan to try and ensure we're doing what we need to now by way of work in these areas already slipping beyond the recommended baseline of being nothing less than fair. He thinks we'll have the opportunity to do that, and I know part of this is also information on each one of the facilities. This is the summary data, as explained at Public Works. He looks forward to getting the full spreadsheets that identify, for each building, what those issues are, the timeframes for recommended maintenance. He said at Public Works he will begin trying to integrate the various studies, commenting it eliminates some of it in this year's budget cycle. Hopefully we can get sufficient information to make that part of our discussion as we determine our CIP funding.

Mr. Pfeifer said, "I want to back up, because you've made statements, but not questions, and I want to clarify. You said you wanted information on good/bad/poor spreadsheets and all kinds of things. All of this a web based system, so I will have to get with Jeff to see if you can get access to it to look at the systems. But we won't be generating reports specific.... because if you have questions about a specific building....Jeff can we give access to the Councilors to look at this date."

Mr. Page said, "Certainly."

Mr. Pfeifer said, "So you can look at the data and get in there. And if you want sheets on a specific thing of all the things that are in poor condition, you can look and get as much detail as you would like to have on that particular item. So we can give you access to the system and any of you to look at specifics as far as the facilities go. But I don't know what you would be looking for because it's so broad on what your good/fair/poor/critical. I didn't get where you were going with that."

Councilor Ives said this was discussed in some detail at Public Works and there were many references as to how the standards were developed based on work that have been done nationally, suggesting the targeted goal was to remain in a condition which is no less than fair, always better than poor, and never critical. So it was providing background information on which the charts were based, which were studies that the gentleman at Public Works said could be made available. He said access to the system would be very helpful, and he might look for an opportunity to meet with the Ameresco representatives to figure out how that is accessed and what the system contains, but we can do that at a later time.

Councilor Ives asked if it is possible to prioritize the facilities that are already marked as being in poor condition.

Mr. Pfeifer said, "Yes. We're going through the inspection process right now and verifying that the actual poor conditions that we verbally said are actually in poor condition and we've done one building. So we've completed the one that said poor, which was the Canyon Road Treatment Plant which is a series of about 5 buildings, and we found them not to be in as bad a shape as we initially thought. So it may change from poor to fair. So that's the part we have to go through and do the field verifications."

Councilor Ives said he is just asking to give priority those already market poor as part of that process, rather than going to things marked good first.

Mr. Pfeifer said, "The marching orders are to start with poor and move to the best."

Councilor Ives said that is excellent. He noted some of the key recommendations to date are on page 2 of the Memo: Implement a proper computer maintenance management CMMS Work Order System. He said when he sees a recommendation for a computing system, he turns to Renee to make sure that what is being recommended will work in our new ERP system on which we're getting responses to RFP, to ensure any additional systems will work with the new City platform that is being adopted. He said, "I would ask you to work with Ameresco and Renee to make sure that whatever system we are looking for to have that kind of capability, works with the next system we're looking at as enterprise-wide basis."

Mr. Pfeifer said okay.

CONTINUATION OF BUDGET DISCUSSION

7. WATER RATE FORECAST REPORT. (JASON MUMM)

This item is postponed to the Finance Committee meeting of April 18, 2016.

8. 2008 PARK BOND PROGRAM.

• REPROGRAMMING OF UN-SPENT FUNDS. (ROBERT CARTER)

Chair Dominguez said there is nothing in the packet regarding the specifics on the reprogramming. He asked if this is just intended to be a policy discussion about how we're going to reprogram.

Mr. Rodriguez said these are two of the remaining items from the 2008 Parks Bonds, something the Auditor recommended we take care of. So the reprogramming of the \$800,000 of unspent funds was a top priority, and to reprogram them and put the funds in use right away.

Rob Carter, Parks & Recreation Director, presented information from his Memorandum, with attachments, dated March 29, 2016, which is in the Committee packet. Please see that information for specifics of this presentation.

The Committee commented and asked questions as follows:

- Councilor Harris asked if the \$600,000 will address all 3 pedestrian bridges.

Mr. Carter said yes.

- Councilor Harris asked the scope in terms of width.

Mr. Carter said his recollection of conversations is that it is 11 feet wide, made of concrete, which is a box cut over the top of it, so it will solidify it so it will be a safer bridge to cross. He said one thought was to take the arroyo, pipe it and cover it, but the cost would be upwards of 3\$ million, so they felt the bridges would be a better fix.

- Councilor Harris asked, for clarity, if these are funds from the 2008 Bond, so Item #26 is to reallocate the 2012 unexpended Parks Bond in the amount of \$284,926.

Mr. Carter said this is correct, there are two bonds, one 2008 and the other 2012.

- Councilor Harris asked what will happen once the monies are completely expended for the 2008 and 2012 Bonds.

Mr. Carter said they then will be doing a total closeout of 37 parks. He said there is a small amount of money of 2012 Parks Funds that remains in addition, but they still are finalizing that. He said that is from a large SWAN Park redesign and development. So they are spearheading moneys which may need to come back for reallocation and approval.

- Councilor Harris asked if the general schedule on the 2008 bonds will be accomplished in this season.

Mr. Carter said yes, and as soon as 2012 goes through public hearings, staff are ready to begin work.

- Councilor Harris asked if those hearings are scheduled.

Mr. Carter said the 2012 Parks Bond is scheduled for April 27, 2016, and once it goes through the Commission, Finance and Public Works as a Resolution, you will have it again, and then they will "have a public hearing on this." He said the Ordinance provides it must go to the City Council for reallocation and then approved in a public hearing in case the public has concerns.

Mr. Rodriguez said the expectation is to completely close out the 2008 Parks Bond Program at the end of this construction season.

- Councilor Villarreal asked why the Governing Body never set a priority to not let people stand on these bridges.

Mr. Carter said it is an emergency exit and the Fire Marshal would not allow us to chain it or close it off, because when you have that many people to exit that area, that is the only place other than out the side gates. The concern was if we block them off or close them off, there would be problems with the amount of people who might come into a "squished-in type of area if you were only going out of one gate out of the ballfield."

- Councilor Villarreal said, "I'm just surprised they let people stand on the bridge, because you can't see very well from the Bridge, and you want to get people into the park, so I don't think they have to block it off. I'm just curious why they didn't they just push people along, noting there is a strong police presence."

Mr. Carter said, "I can't answer that question. I have no idea. I do know the organizer is working on another idea of sending people out and down Bishop's Lodge Road as another way to alleviate the amount of crowding you have in there.

- Councilor Villarreal said that is for the current year because it won't be corrected.

Mr. Carter said it would be the best hope to have at least one bridge done, but that depends on a lot of different issues. Our goal would be to have the center one completed.

Mr. Rodriguez said that is a good idea and he'll pass that on to the program organizers to, short of blocking them completely, station a staff person to keep people moving. That way it would serve as an emergency exit and still be useful.

- Chair Dominguez asked the process to establish the cost of the 3 bridges at \$600,000 – was the assessment made by staff that it was unsafe, or did the organizer come to you.

Mr. Pfeifer said the camber on the bridge has flattened and is gone, so when the bridge is loaded down, it actually cambers the wrong way, so it's bowing instead of bridging. It is actually is an unsafe condition and it was a recommendation by the Fire Marshall to not allow use of the bridge, so it is failed.

- Chair Dominguez asked, "Why use capital Parks Bond funds for it and not some other source. Because it's either a brand new issue that came up since the last time he looked at it, or it's something that's been happening over time. And so why is Parks paying for it and not Facilities or some other department."

Mr. Pfeifer said, "My only answer to that, is that is up to you guys. It is a Park, so it's not a facility. Facilities are infrastructure going vertical. Bridges are part of the parks. It is capital because it's over \$5,000.

- Chair Dominguez said it wasn't part of the original, commenting he isn't going to ask why not, because "you're just going to say I wasn't on staff back then, and if I was everything would have been contemplated. So I guess why are we bringing this up now, and who made the decision to utilize Parks Bond money."

Mr. Carter said, "No, we were looking at the amount of money...

Brian Snyder, City Manager, said, "I made the decision to recommend it to Finance. Robert is trying to say we were looking at the projects list as Bette Booth and Ike had toured the various Parks that had not gotten finished. You will see the details in the Memo on those areas that hadn't been completed. There was remaining funding available and this seemed like an important project to get done, especially in light of Zozobra growing over the years. And I decided to make the recommendation for your discussion."

- Chair Dominguez said, "That's fair and I respect that. So, I don't have a sense of how critical this is. I've heard nothing about this."

Mr. Snyder said it is in the works with Ameresco as an example of us getting a better handle on our facility needs, our parks needs and those things. He said, "That being said, here again, I believe it is a large need. As Dave Pfeifer mentioned, the bridge for all intents and purposes failed

this past year. And it was the first time I had heard of it ever failing. I thought it was an extreme liability for park users now not knowing the condition of the bridge, but definitely for Zozobra. So I'm putting it out there for your consideration to fund it."

- Chair Dominguez noted there is a park in every District that is going to receive reallocated money, but asked if the public should know the reason there isn't anything in District #3. He asked if that is because all of the projects in District #3 were completed.

Mr. Carter said yes, all were done, or anything was identified such as a park bench or a picnic table, that would have to be taken out of the regular Parks maintenance because of the \$5,000 cap on a capital item.

- Chair Dominguez said Las Acequias Park is now in District 4.
- Councilor Harris noted it shows up on the 2012 Bond list.
- Chair Dominguez said he knows, but he thought there was programming for 2008 that wasn't completed for that park. He said there was a whole park in that area that was supposed to get built-out and he thinks it was part of the 2008 program.

Mr. Carter said he would have to double check on that, noting he doesn't have that paperwork with him that identified all of those. He can get back to him and the Committee via email to let them know what was on there. He said he and Councilor Harris had a brief conversation last week about that last week because Councilor Harris was concerned as to why the money was moving back and forth. He said the explained that to him and for the 2012.

- Chair Dominguez said Ft. Marcy Park and the replacement of the 3 bridges is now part of the original Parks Bond programming for this particular bond, and Mr. Carter said that is correct.
- Chair Dominguez said he doesn't want to underestimate or minimize the need to have those safety improvements in there. However, it seems like a lot of money that could actually be used in other parts of our community where there is a desperate need for parks amenities. He would like staff to see if there is a different source of funding for that kind of an emergency. He said when the public looks at this, they look at District #3 where there is an obvious need, and the \$600,000 was not programmed in the original Parks Bond programming so why can't that get spread out equally among the rest of the Districts or identified in a certain location with a need. He said, "Those are my only comments on that, but I'll open it to the rest of the Committee for a motion and/or other questions."
- Councilor Maestas said he would think there is an element of legal risk. He said when this was discussed at Public Works, we weren't sure if the bridges can be constructed before the next Zozobra celebration. He said we're indicating it's a legal risk to the City, but it doesn't seem like we're taking any precautions between now and when we replace the bridges. He said we need to have another conversation about what we do in the interim and through Zozobra before these

bridges are replaced. He said there aren't too many options, noting that is the only egress/ingress to Ft. Marcy for large events like Zozobra. He thinks we can't brush over the legal risk and it's obviously compelling enough for this to be a recommendation and to represent 75% of the total expenditures. He is giving the benefit of the doubt, but "it creates more questions in my mind, like okay well what are we going to do to mitigate that legal risk until we replace the bridges."

- Chair Dominguez said that's fair enough. He is just questioning the source of funding to do this. He believes \$600,000 could be found "almost easily to accommodate that." He said part of his question is to make sure we don't short change the rest of the community. He said, "In other words, that Parks Bond was not intended to pay for those sorts of emergencies. The bridge is either failing or it's not, or it's safe or it's not, I guess. Right now, I suppose it's safe. Staff has determined that it's safe. Anyone."

Mr. Carter said he is told that it is not safe.

- Chair Dominguez asked if the bridge is closed off right now.

Mr. Carter said he will check to see and if it's not, "we will."

- Chair Dominguez said it should be closed if it's not safe.
- Councilor Harris said he saw the condition of the bridge during Zozobra, and it we've lost the camber on the bridges, it's metal fatigue and their useful life is very short. He said he agrees that it becomes a real liability to the City, and he would be in favor of moving forward as a wise expenditure. He said he is also reminded that the State Auditor in its findings said to put this \$800,000 to work and get it cleared out as soon as possible. He said, "To me, this is a good way to do that."

MOTION: Councilor Harris moved, seconded by Councilor Ives, to approve the proposed reprogramming of unspent funds from the 2008 Parks Bonds.

DISCUSSION: Chair Dominguez said, "I will just ask as a courtesy to everyone that we look for potential other funding sources for something that is such an emergency that it needs to be taken care of sooner rather than later."

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

[STENOGRAPHER'S NOTE: Following the vote, Chair Dominguez said it has been pointed out by the Meeting Stenographer that a vote can't be taken in this regard because the item isn't published for action]

■ **NEW CAPITALIZATION POLICY (TERESITA GARCIA)**

Ms. Garcia reviewed the proposed the new Capitalization Policy, a copy of which is in the Committee packet. Please see this document for specifics of this presentation.

Councilor Ives said it is 15 pages, but there only 6 pages

Ms. Garcia said she will correct that error.

Councilor Ives said Ms. Garcia mentioned the policy was adopted some time ago.

Ms. Garcia said when we implemented GASB 34 in the 1990's – 10-15 years ago – we created a policy and procedure manual as recommended by the GASB 34. She took a portion of the policy manual and made it into a cash management policy to give direction, rather than procedures.

Councilor Harris asked how the numbers are determined in the schedule for depreciation, and the useful life, particularly the first one the useful life of 50 years for buildings.

Ms. Garcia said when we implemented GASB 34 what we did was an industry-wide assumption on buildings and those are part of the recommendation that was given to us by industry. She said they can adjust the years of life on a building, but after 50 years, we capitalize it and if we had improvements that would add to the cost or to extend the life.

Councilor Harris said he would be curious for staff to hear what Ameresco has to say. He said 30-50 years is what he has been accustomed to seeing on buildings, but in looking at the Facilities Condition Index and planning out as far as they have, it would like to hear Ameresco's opinion on this schedule. He said Ameresco is going to be addressing vertical, but that's buildings, wastewater plants, water plants, the first 3 categories which are big ones quite frankly.

Mr. Rodriguez said this is put before you as a draft to let you know we are moving on this item. It's an important of the State Auditor's Report. We will get their input, finalize it and at that point bring it back to the Committee for final confirmation that we got it right.

Chair Dominguez asked what action needs to be taken on these 3 items, noting an issue has been raised by the stenographer.

Mr. Rodriguez said no action needs to be taken at this stage. He said, "By the way, the previous item was just general direction. It will come back anyway as a BAR. At this point, all we're doing is just taking the extra steps to follow-up on the findings from the Audit. I just want you to know we're paying a lot of attention to this and this is how we're going to be proceeding in the future."

Chair Dominguez said then the first item will come in the form of a BAR and the second will come in the form of a finalized policy.

Mr. Rodriguez said that is correct, and staff will be seeking formal approval of those items.

Chair Dominguez asked Councilor Harris if he would like to give direction on the items he mentioned.

Councilor Harris said it was just on the schedule for vertical assets to how that might be integrated in the Facility Condition Index in anticipating our needs down the road. He said it is an open question and he has nothing beyond that that. He asked if the State Auditor has an opinion on the Depreciation Schedule.

Ms. Garcia said when we implemented GASB 34, one of the criteria was that we didn't capitalize any of our general government, so any buildings that were classified as general government was not included in our capital assets and was not depreciated. She said she is hoping that if there is a document out there, like the Asset Management and they determine the life of that building, then we can revise and amortize it on an individual basis, based on that one asset. Currently, she needs a guidance and this is what GASB 34 recommended. She said with this Asset Management Policy, if we have a building and the life is less than 50 or greater than 50, then we can identify it and actually tie that depreciation or the value of that asset individually and then add it to our CAFR and depreciate it differently every time those things come up. But for right now, when we implemented GASB 34, this was the industry standard and without further support to change that life, then it stands as a general year. With this Asset Management Policy we could actually go and depreciate the building further with that report, and we can support that number with our auditors.

Chair Dominguez said we will see the items in Agenda Item #8 at the next meeting for approval, and advised Mr. Rodriguez to put them on consent.

9. GENERAL BUDGET DISCUSSION. (OSCAR RODRIGUEZ)

A copy of a handout on the General Fund prepared by Oscar Rodriguez, is incorporated herewith to these minutes as Exhibit "2."

A copy of an email from Rebecca X. Seligman to Joseph Maestas, with attached copy of Resolution No. 2016-16, adopted on February 10, 2016, is incorporated herewith to these minutes as Exhibit "3."

Mr. Rodriguez said Exhibit "2," is an attempt to put into one chart/table, the information you have seen in various tables. He said this is where we stand in reference to action taken at Council last meeting.

Mr. Rodriguez reviewed the information in Exhibit "2." Please see Exhibit "2," for specifics of this presentation. He noted they are considering a hiring freeze of non-essential positions, canceling of contracts and will be bringing forward some things to start now that will be in the budget after July 1, 2016. He said, "If you add all those together we're looking at a deficit still to overcome of \$8 million that is part of the framework, action that we still have to take – Franchise Fee up up to \$1.5 million, Operating Cuts of \$4

million and Fee Increases of \$2.5 million. That's where we think we can make up the \$8 million, and at the very end we think we'll be pretty close to zero. This is just a report to you to let you know where we stand. This is the intent of this report."

The Committee commented and asked questions as follows:

- Chair Dominguez asked when Mr. Rodriguez expects to have information for the Committee on the \$3.5 million and where that will come from.

Mr. Rodriguez said he is working on that Memo which should be going out to the Committee in the next few days that will explain actually the actions that will be taken to make sure we have the \$3.5 million and how much each department will contribute.

- Chair Dominguez asked Mr. Rodriguez, once he has determined how the \$3.5 million will be taken care of whether through cuts, hiring freezes or whatever for this year, if he will want this Committee and the Governing Body to take action on those items.

Mr. Rodriguez said, "We will bring to you those items that require specific Council. Otherwise, we'll take the action that you took last week as direction to do what was necessary. For example, administratively, if it means don't fill any positions until the end of the fiscal year we'll go ahead and do that. At this point, we don't think that that's something we would bring back to you. But certainly, shorter hours, things like that, specific cuts to services, etc., that require Council action, we'll be bringing those to you right away.

- Chair Dominguez he thinks there is still some flexibility in the framework to accommodate for something we don't want to do through these discussions. He said, "So just as long as you keep us informed and we take whatever action Brian, that you think, wherever it is that we need to take action, bring that to us as soon as possible. And good luck."
- Councilor Villarreal asked the percentage of the PILOT of \$1.5 million that was put in the budget.

Mr. Rodriguez said that would be rounded up to 4%, noting it was range of 0.7% to 4%.

- Councilor Ives said at Council last week, there was discussion of some previously provided financial projections which suggested that the \$2.5 million was going to be anticipated by fiscal year end. But that was without talking about trying to implement, or we didn't discuss any of those cuts you're discussing now that you are saying now are necessary because of the utilization of that figure. He asked if the proposals to cut back on hours, a hiring freezing, all those things contemplated in the reports that indicated there would be a surplus in the first instance.

Mr. Rodriguez said, "No sir."

- Councilor Ives asked, "What has changed since the projections that suggested there would be at \$3.5 million excess that the Council's action last Wednesday was taken on the basis of, and now that all of a sudden we're looking for further measures in the current year that weren't contemplated previously that are being contemplated now."

Mr. Rodriguez said, "What's changed is the big change is that we are now relying on those projections. And so projections.... you can't rely on them until they're realized. But when you actually said we're going to use those, then that put on the footing of having to make sure they are realized. And so we can't just rely on the normal course of events. We don't realize them. That's what's change. We feel that with the action that was taken, we need to take affirmative steps to make sure those projections go beyond just a projection."

- Councilor Ives said, "I will only say I wish that was part of our discussion on Wednesday as opposed to now."

Mr. Rodriguez said, "The best I could say to you at the time is that they were projections at that time. I do we believe we gave you the cautions about those, and so this is what has to happen in order for those things to be there for sure. I'm sure like you as well, to arrive at the end of the fiscal year and not have these savings realized and then to come back and say, well, you know, these were just projections we propose. So when you guys said take those, then that then led us to take actions to make sure those things are there."

- Councilor Ives asked, in terms of the increased fees of \$2.5 million from that discussion, we've talked about phasing the Stormwater Fee as one example of a mechanism to try and accomplish that and one that make sense. He asked what fees are you looking at currently in terms of meeting the \$2.5 million goal.

Mr. Rodriguez said the general sense at this point is pretty much across the board, but the biggest piece of that was the Stormwater. "And you heard me caution here that to raise that at this point without a plan to do that is going to be very hard and we're going to take a hard look at that to see if in fact we recommend an increase in the Stormwater Fee without a plan about what to do with those resources."

Brian Snyder said he would add it would be a Stormwater fee increase and a short term rental uptick. He asked all departments to look at fee structures and do a comparable analysis. So they are looking at Land Use, Summer Youth Programs, Recreational Centers as examples of areas where there we are undercharging for our services as compared to other entities in the region. He will be bringing forward details on that, so we're looking at an uptick of about \$50,000 in Recreation Fees, similarly in Land Use. He said the Summer Youth Program is one he has asked staff to look at. The program costs about \$500,000 annually, and we bring in \$80,000. He asked staff to look at a fee structure that make sense, spread it across the board and brings in at least ½ of the revenue required to run the program. He is bringing forward a program to keep enrollments at the current level, but more realistic in terms of program costs.

- Councilor Harris said regarding fees, we heard several times that the waiver of various fees is about \$1.2 million. He thinks there should be a blanket agreement by the Council that we are not going to waive fees. He said he sees no reason to have a fee structure and then dismiss it out of hand. He said he has rejected a couple, and has to try to be polite and explain why it is necessary given the current financial situation.

Mr. Snyder said a lot of these requests are coming from non-profits already in their fiscal year, and he and Mr. Rodriguez discussed splitting the difference this year, and work on phasing out waivers, noting that would bring in about \$500,000. The goal being to educate the public and not just spring it on people that already have incorporated it into their budget, noting ultimately that is a discussion we'll have with Council.

- Chair Dominguez said some of those policies will be brought to this Committee during budget discussion so we can at that point consider some of those things.
- Councilor Harris said he would respond to the layout and to Councilor Ives. He said, "In a way, I certainly drove that discussion last Wednesday night. And based on the Financial Performance Report through 12/31/15, between projected revenues and decreased expenditures, in round number, the aggregate was approximately \$7.5 million. In the report that has just been issued, the numbers through 01/31/16, it's about \$3.5 in expenditures, and we're approaching \$2 million revenue, so it's aggregate of \$5.5 million possible, that would go toward an ending balance. I remember very clearly Mr. Rodriguez saying, and I didn't anticipate capturing all that \$7.5 million, I think I just threw a \$5 million out there for discussion purposes. But Mr. Rodriguez was very clear that the only monies we could really count on was the \$2 million. That's the number you used last Wednesday night. I heard that. I hope that all Councilors heard that prior to the vote. Which told me at the time that we really were going to have to start implementing some of the measures you just described in this fiscal year. So I just wanted to acknowledge that."

Mr. Snyder said, "Just to add to that conversation as I recall it, which is similar to the way you recall it, as well as earlier in the evening that \$600,000 of the \$2 million had been expended. The way I took the direction, the way Oscar took the direction as well is, we need one-time money to bridge, for lack of a better term, the next 6 months to January 1, 2017, until a tax increase could be realized, and with that one-time money, we have two ways of finding it. We can either live within our means now and scale back within our means, or we can add it to our \$4 million that we need to cut for the next fiscal year. So it's one or the other. And right now, we have projections that should be able to come in close to that mark. We also have departments our projects are a little off and we're going to spend our full allotment. The protocols we're putting place right now, we're tightening our purse strings and asking the tough questions. Does this position need to be filled. I always ask those questions, but even more so than normal. And what is the impact of not filling it. It leads into upcoming Council discussion on budget cuts."

- Councilor Harris said, "On Wednesday, the decision we made just made yours and Mr. Rodriguez's lives just that much more difficult. But again, I think it was appropriate. And I do want to say, just the conversation I had with Mr. Rodriguez really was something I'd been saying. I

thought the one-year framework was ambitious and quite frankly a little misleading. I had felt all along when I talked to people during the campaign that the City needed, I said, 3 years, and this was the first year. So acknowledging the depth of the problem the City was facing and it came up over time, was really made it the first year. Now, it puts a number to it. Which really made it into the first and this \$3.5 million. So again, I thank you for your work, and I wish you luck. I'm looking forward to seeing the results."

- Councilor Maestas said he understood the 50% impact fee waiver was set to expire in February, and he recalls no policy to continue it or completely waive impact fees as recommended by the Capital Improvement Advisory Committee. Are we going to account for additional revenues with the expiration of the impact fee waiver.

Mr. Snyder said in February or March he thinks it reverted to 100%. He said we should see an uptick, noting there have been studies on what the fee waiver means for GRTs and how it balances out. The last report he saw about a year ago showed it as almost a wash between the GRT realized and the building industry with the other fee waivers it balanced out. But we'll look into that further.

- Councilor Maestas said he recalls a full year of revenue at 100% impact fees was about \$800,000, so he thinks we're looking at about \$400,000 in additional revenues from impact fees.

Mr. Rodriguez said to be clear, "We're assuming that any discussion regarding the impact fees will not improve or worsen the picture for the operating budget, that's money that *[inaudible]*."

- Chair Dominguez said then you are asking this question as it pertains to fee increases.
- Councilor Maestas said yes, and that is a fee increase in allowing the 50% impact fee waiver to expire. He said it is earmarked for Police, Fire and Streets, but those are all general fund funded.

Mr. Snyder said the 50% reduction was not for commercial, so a lot of large construction projects with large price tags, for example, the Super Walmart, did not have a fee reduction. He said when we come back at 100%, he doesn't think we can realize half of the \$800,000 because it isn't 50-50. He said they will look at the numbers and be sure those are correct, noting it is on the summary of the revenue increases.

- Councilor Maestas said the Governing Body made a policy decision to go ahead and hire a collection agency for delinquent accounts owed to the City. He thought the procurement process was complete. He asked if we are going to hire a collection agency, and should we assume there will be any increase in collections, noting it probably pertains to utility enterprises and not the General Fund.

Mr. Snyder said, "From the General Fund standpoint, from the Ambulance and from the Alarm Fund, both General Fund, and they both have billing agencies. And as part of their contract they have the ability to that, so we're going to have them start that automatically. Regarding utilities, parking and the others, Oscar is working that through the process."

Mr. Rodriguez said, "Yes. You will be getting a recommended contract for that. It's going through the procurement process right now. You'll be getting that in May for action. The direction you gave us was to try and put it all together in one collection agency, so to the extent that we can, we'll try and put that together and have that recommendation for your. The other thing we're working on is an effort to try and address the concerns you raised regarding the indigent account, etc., so we'll try and have the two proposals for you at the same time. We're working on all of those fronts at this point."

- Chair Dominguez said this is concurrent to the approval of the budget.

Mr. Rodriguez said, with regard to the \$1.7 million for delinquent ambulance fees, we really shouldn't expect a lot of revenue to be produced from getting "hard or being aggressive in collecting those things. A lot of the \$1.7 comes from people who frequently call the ambulance. In fact there's a whole other program you will be talking about later on that intends to address that. I think once we are in a situation where we truly know who we can expect to collect from. But in terms of our budget development, we're not going to rely very heavily on those funds to close the deficit, at not insignificant numbers."

- Councilor Maestas said last week when we are asked to pay off negative cash balances for certain funds, the MRC deficit was close to \$1 million which is being deferred, and asked if that will be factored in as a lump sum payment before the end of the year."

Mr. Rodriguez said yes, as well as any deficits that will have come up this fiscal year. He said we were settling accounts through June 30, 2015. He said the situation has improved so you will see a settling of all of those accounts in the form of a big BAR. He said, "This \$3.5 million that you see here, our aim is to be so secure with that, that we can tell you we recommend that you lower the budget expenditure by this amount so we can carry it forward, etc. So you're going to get all of those, Councilor Maestas. To answer your question directly, yes sir, you're going to get that and all the other funds that might be tending toward negative at this state."

- Councilor Maestas asked, "But it's accounted for in this *[inaudible]*"

Mr. Rodriguez said, "Yes it will be accounted for there."

- Councilor Maestas asked about the anticipated additional Hold Harmless deduction, the \$660,000.

Mr. Rodriguez said that is included in the \$81.4 million figure that is there.

- Councilor Maestas asked, "And any anticipated prior year encumbrances that could carry over. Are those in the projected expenditures or any kind of carry over services and bills. Kind of a prior year encumbrance that carries over into the next fiscal year."

Mr. Rodriguez said, "Just to be sure, staff knows we don't talk about carry-forwards any more, but yes, all of that is taken care of."

- Councilor Maestas said just because it's not talked about, doesn't mean it's not done.

Mr. Rodriguez said it will be over the efforts of a lot of people here who try and prevent that. Anyway, it's not our intent that there be any carry-forwards.

- Chair Dominguez said, "That is one of the fundamental changes we've had internally to help us get out of the situation we've gotten in... not even get out, but just to make sure we right the ship and we have best practices for lack of a better word, from here on forward."
- Councilor Maestas noted he has a pending bill on Stormwater Fees which was tabled to the beginning of the budget process. He said his colleagues are amenable, perhaps we should restart that, and he's happy to sponsor an amendment to increase the Stormwater Fee. It's not in the current bill he introduced which has limitations on the expenditure of funds. He thinks that would be the best legislative avenue to change to see if the Council would like to increase the Stormwater Fee through that bill.
- Councilor Maestas continued, "So, I'm recommending that we probably get that started maybe before the budget hearings, that way we know that's policy going into the budget hearings as a potential additional revenue source."
- Chair Dominguez said the budget hearings start in 2-3 weeks, so by the time the bill could be approved by the Governing Body "we'll be kind of there. So maybe if you want, introduce it, and we can hear it as part of or in conjunction with budget hearings. It's already been introduced though."
- Councilor Maestas said, "Yes, but I haven't proposed an amendment to change the fee which I am prepared to do."

Mr. Rodriguez said another bill related to this is the bill to study actions the Council may take and his recommendation is that we wait until that happens before we decide anything further. "And I would further recommend, and ask you to consider the possibility of waiting to have a plan for the use of those resources before we recall them. I think there is ample time between here and January 1 where it potentially start. My caution to you is without the plan to use that, the inertia would be just to use that money in the way its been used previously which is to pave streets. I believe you won't be satisfied with that result. And that's what I'm saying. How about we have a plan about where it should go and who would be managing that, and staff's capabilities to do that. At least the discussion we had with a related bill on stormwater. The general plan was to come out

with a plan and if that required further detail, etc., then we would act on it at that point. And that would still be my recommendation Councilor."

- Councilor Maestas said, "I think my concept was to ahead and amend the existing Ordinance as a short term measure, to go ahead and follow through and address the bridging strategy. Because the expenditure of Stormwater Fees is a bridging strategy we're trying to end number one. And then number two, if we raise the fee, if we do it in this round of budget hearings, that would be effective July 1. Obviously, Council Ives' bill, it's more of a comprehensive effort, would render the current Ordinance obsolete, but we'd have the fee structure in place, and then we would accomplish the goal of ending that bridging strategy of using those funds."

Mr. Rodriguez said, "Just to make sure, part of the framework that I was communicating to you, that part of the \$15 million deficit was this \$1.5 million in storm drainage. So the plan right now is to find the resources to take that money out of the General Fund, put it into the Storm Drainage. And so to increase Storm Drainage at this point would be to put even more aside to that. So at this point what we're saying is there's going to \$1.6 million going to Storm Drainage. If you raise it another \$1.5 million, you would be looking at \$3.1 million. And what I'm saying is, how about we figure out what we're going to do with that, because at this point, staff...that plan is not so complete. Both the projects, the work plan and who would do it."

Chair Dominguez said we will talk later in the meeting about the Budget Hearings.

CONSENT CALENDAR DISCUSSION

16. **REQUEST FOR APPROVAL OF 1 (ONE) 2015 SPECIAL STATE OF NEW MEXICO SEVERANCE TAX BOND CAPITAL APPROPRIATION PROJECT AGREEMENT; STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT DIVISION AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$227,700. (DAVID CHAPMAN)**

[Councilor Harris question was inaudible because his microphone wasn't turned on]

David Chapman said no money has been expended on the Rodeo project.

Councilor Harris said then it's not being discussed this days and asked if that is a correct assumption.

Mr. Chapman said that is a correct assumption.

Councilor Harris said it's a big issue in District 4. He asked if there is a scope of work for the MRC that is defined in here.

Mr. Chapman deferred that to Jason Cluck, project manager.

Jason Kluck, Project Manager, said in the middle of last year, the Council approved a design contract for \$230,000, \$225,000 of that came from the same Legislative Funds, with \$5,000 from the County. The City used those funds to higher Design Office to implement a master plan and schematic design through construction administration for a \$2.25 million project. The master plan was completed and approved and the cost estimates were revised upward and they are now at a price tag of \$13 million for the entire project – existing lower fields, the new upper terrace development. He said the cost estimate for schematic design for \$9 million to remodel the entire lower area. So right now, Design Office gave us two options and they chose Option A. Option A was to do the complete schematic design for the lower fields and then do a \$1 million construction project on the lower fields. Option B was to do complete design for a \$2.25 million project. He said, "Long story, short, with the \$227,000 we really only have funds for..., anyway the designer is recommending using those funds for infrastructure improvements that would be in preparation for the future expansion and renovation of the lower fields when the \$9 million comes on line."

Councilor Harris said so the \$227,000 is basically for design fees for infrastructure.

Mr. Kluck said, "Sorry. No. We're already paid for the design. We have a design contract with the initial \$230,000. It's a little confusing because the numbers are almost the same. So the \$227,000 that got from the rodeo will be used for construction. That's the recommendation. And that construction would be infrastructure in preparation for the larger remodeling with a much larger price tag."

Councilor Harris asked if there is an Engineer's estimate that says that infrastructure can be accomplished for the \$227,000.

Mr. Kluck said yes, portions of it for sure. He said he can enumerate that for the Committee if you would like.

Councilor Harris said he is okay, noting the whole transaction is new to him. He said the City is moving forward at the MRC with this major expansion.

Chair Dominguez said we are moving forward on spending the money the State has given us.

Mr. Chapman said, "It's the \$227,000 Jason was talking about, money reauthorized from the Rodeo, but the soccer field received a 2014 appropriation for \$225,000 and that's the money we used for design."

Mr. Chapman continued, "These are State appropriations and there's no money obligated by the City to pay, so it's not a match or in-kind service. The City will provide for project management."

MOTION: Councilor Harris moved, seconded by Councilor Villarreal, to approve this request.

DISCUSSION: Councilor Villarreal said, "This isn't the full amount that will cover by any means an expansion of the fields. You had said \$9 million. That's really what we're looking at. This is just cosmetic

is what I call it, so I think we have to look at other options for funding that may not necessarily come from the public sector. That we may, I think, start looking at private sector to really look at a soccer field that's state of the art. Do you have any comments about that."

Mr. Pfeiffer said that's a good way to go and commented they are looking to legislative funding as well

Chair Dominguez asked if the funds are being used for staff time at all.

Mr. Pfeiffer said no.

Chair Dominguez said that would be helpful, to get the Legislature to pay for some of the staff time we have allocated for some of these projects. He said staff is taking the money from the Legislature and programming it, when there are other important projects that could use that time from staff.

Mr. Chapman said there are proponents from the soccer community in attendance and they could elaborate on some of Councilor Villarreal's concerns.

Ms. Villarreal said, "That's okay. I will expect to talk to them more about it. But I do want to make a point that this is just a drop in the bucket."

Mr. Pfeiffer said, "You cannot do any labor with grant funding. It is always specific to get to the project. So that's for clarification."

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

21. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – INTENSIVE COMMUNITY MONITORING PROGRAM FOR JUVENILES; MARY LOUISE ROMERO. (RICHARD DeMELLA)

Councilor Harris said he wants to get a better sense of the program.

Richard DeMella said it is a 16-year program, with the ICM person getting kids back in school for a GED, Trade or High School diploma, noting the City gets money from the State CYFD to run alternatives to detention programs and he runs 6 of those programs. We are part of more than 21 sites state-wide engaging in alternatives to detention as it pertains to juveniles. The ICM program provides life skills for kids, noting the kids are put into the program by the Judge. He said it helps kids to stay in school. He said the woman who runs the program, Mary Louise Romero, does an outstanding job with this population both male and female. He said this funding will allow funding for a full year. He said there is a 97% non-recidivism rate with kids in this program. It is one of our most successful program.

Councilor Harris said it sounds like an impressive program, and asked how many kids are in the program.

Mr. DeMella said they run 47-61 kids through the program per year. He said it is a home run for everybody involved.

MOTION: Councilor Harris moved, seconded by Councilor Villarreal, to approve this request.

DISCUSSION: Chair Dominguez said frankly, we need 3-4 times that amount of money and 3-4 more Mary Louises to make an impact on the youth population.

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

22. REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT – SPONSOR FOR MONETARY CONTRIBUTION INTO MOBILE INTEGRATED HEALTH OFFICE FOR FIRE DEPARTMENT; CHRISTUS ST. VINCENT REGIONAL MEDICAL CENTER AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$100,000. (ANDREW MERCADO)

Councilor Harris said this is stated as a budget increase of \$100,000 in the FIR, but the narrative says it is \$50,000.

Officer Andres Mercado, Santa Fe Fire Department, said that is an error, and it should be \$50,000 in revenue and \$50,000 in expenditures, and he will correct that.

Chair Dominguez asked how things are going and if we foresee a significant impact relatively soon that is quantifiable in the sense of our overall budget.

Officer Mercado said we are 90 days into program operations, and they serve the 20 top utilizers of the 911 system, and have reduced the use by 50%. He said because of HIPAA reasons, after the first group, they will figure a way to present the stories while protecting confidentiality. He believes it has been a success. He said they met with the Medicaid office last week and we have a lot of shared interest and common values, so they're interested in exploring revenue for the future. He said tomorrow they are hosting the Albuquerque Fire Department, Bernalillo, Rio Rancho, Sandoval County, Santa Fe City and County, Los Alamos, Las Cruces, Farmington, Laguna Pueblo and Colorado Springs Fire Department is coming down to understand how Fire Departments can work toward providing mobile health services in the 21st Century with better outcomes and move fiscal responsibility.

Chair Dominguez said then in the next two years we will be able to see the fiscal impact as it pertains to our overall budget.

Officer Mercado said we are in the process of joining 9 Colorado Fire Departments in a large demonstration project, including Denver, Colorado Springs and several others, with the goal to increase the in so we can have some statistically significant numbers. There also opportunity costs, call volume increase, needs for new fire stations and additional staffing, so we should have numbers soon. In May we'll have numbers within our own program, but in the next year we should have some statistically significant numbers by partnering with other departments.

Councilor Villarreal asked if they have considered looking for funding sources from the non-profit sector to support this project, or if there is a plan to do so.

Officer Mercado said this is part of that process, and they definitely have reached out to the non-profit community, noting Christus St. Vincent is a non-profit, and we are in the process of finalizing an MOA for sponsorship from SVH Support, Southwest Care Center a non-profit has contributed in-kind services and financial contributions as well as Presbyterian Medical Services that has helped with training. He said part of the reason to join with the Colorado Group is because they already have started applying for grants, so we are trying to find seed money as much as possible.

Councilor Villarreal thinks there may be possibilities nationally, and if she runs into anything in her other job, she will let them know.

Councilor Ives asked the current budget for the program, and Officer Mercado said approximately \$300,000 in personnel costs and operational costs are marginal and just a little more than personnel costs.

Councilor Ives asked if there is an assessment of savings as a result of the program throughout the health care system.

Officer Mercado said they are 90 days into the program and measuring utilization and costs for a year prior, and during the intervention, and a year post-intervention. The initial figures are a decrease in utilization by this group by about 50% in cost premium, but he doesn't have that translated into dollar figures yet.

Councilor Ives said he thinks this is the way we need to be moving forward, but it would be interesting to see those metrics, and asked for those once available.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal to approve this request.

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

27. **REQUEST FOR APPROVAL A RESOLUTION AUTHORIZING STAFF TO COLLABORATE WITH THE SANTA FE FARMERS' MARKET TO STAGE A PLAZA FARMERS' MARKET ONE SUNDAY A MONTH DURING JUNE, JULY, AUGUST AND SEPTEMBER 2016; COLLABORATE ON A SOUTHSIDE FARMERS' MARKET; AND PROVIDE COMPLIMENTARY PARKING DURING THE WEEK. (MAYOR GONZALES AND COUNCILORS DOMINGUEZ, TRUJILLO AND RIVERA). (RICHARD THOMPSON) Committee Review: City Business & Quality of Life Committee (approved w/amend) 03/06/16; Public Works Committee (approved) 03/28/16; and City Council (scheduled) 04/13/16. Fiscal Impact – Yes. Annual loss of parking lot revenue is projected to be \$28,800 annually at current parking rates for one weekday (Tuesday) free parking from 8:00 a.m. to 1:30 p.m. during the weekday Farmers Market.**

Councilor Harris said this proposes for the balance of this year to waive parking fees of \$8,400 for the Tuesday market at the Railyard, and for the next year \$28,800 for the Tuesday market. He is sure the vendors see an advantage to free parking, but believe people going to the market on Tuesday are willing and able to spend \$1 an hour and doesn't think free parking will make a big difference. He said, "So, I would oppose this Resolution because I think it is this incremental effect we talk about all the time. And again, this is the first year of our deficit reduction work and so potentially we could keep that \$8,400 toward our bottom line and \$28,800 toward next year's. So that's the point for me. Really. The more we can do on the south side I think is great. Certainly trying a Sunday Farmer's Market during the summer and into the fall, I think on the Plaza would be fine. I don't see any reason to waive parking fees for a Tuesday market."

Chair Dominguez said the General Fund is the one with the deficit. Parking is a different situation.

Councilor Harris said he has seen the full report. He said there was memorandum that provided that the Parking Division had been operating at a break even, but what he saw was that a certain portion of the debt service for the Convention Center was going to be rolled into the Parking Division, and that was going to put them into a fairly significant deficit. He is sure we'll have a discussion two weeks, but there is a very clear three-page Memorandum, talking about the illogical nature of having on-street parking at ½ the cost of the structure parking when your money has been put into the structure parking. The argument was to put parking fees at the same level on-street or surface parking which is in-line with the current rates for structure parking. He thinks this money plays into the debt service for the Convention Center parking.

Councilor Villarreal said her understanding that parking in the garage is \$1 only on weekends, so Tuesday parking is not \$1 for people.

Paolo Spierl, Farmers Market director, said the figure of \$1 per hour is accurate for surface parking and in the underground lot. On weekends it is \$1 for the full day parking in the underground lot. He said they have identified that quick in and out is a barrier for the market.

Councilor Villarreal asked how you reached the figure of \$28,000.

Mr. Rodriguez said he doesn't know, but to be clear this is an annual figure and the reason it is high.

Councilor Villarreal said there was a change and they're looking a 8:00 a.m. to 1:30 p.m.

Mr. Spierl said the market only runs 7 months a year, and is unfamiliar with how the figures are calculated.

Mr. Rodriguez said when you all free parking, you can't distinguish people who go for the market, or are going there for other issues, so they were calculating for forgone revenue for the entire period this is happening. He said this figure is pretty well known at this point, because we do have history at time of the day and the week.

Councilor Villarreal said there are 3 different topics related to the Farmer's Market, all rolled into one. The Sunday in the Summer, supporting the south side, and then supporting complimentary parking. She asked, "Are you thinking of voting against it even though there are other components you support. I'm just asking."

Councilor Harris said, "The Farmer's Market is a very successful venture, and to propagate it throughout town at different parts and different days of the week is appropriate and is a good thing. So I certainly am in favor of this propagation... seeds... but again, it's kind of the principle of the thing. What we've talked about in waiving fees. So the operative words for me, again, on the FIR is lost revenue for 3 months in this fiscal period and 12 months for the next. I just think that, in the scheme of things, I have a hard time to be convinced that it would make that much difference to the people who are going to go to the market on Tuesday. Like you say, it's a quick in and out. Surface parking. You can do it in 15 minute increments. You can be in and out in, or certainly two-quarters. I just think in terms of lost revenue, I don't think it's something.... we need to change our thinking a little bit on this. We don't need to give this stuff away. If it has value to us and the value is set by the cost operation the cost of construction, then I think we need to capture the money associated with providing that value."

Mr. Spierl said, "I would love to give just a little more context about the 3 different things that are in this Resolution. As most of you know, last year we were invited to pilot a Farmer's Market on Plaza. We did it for one day in September. It was very successful. It was on the front page of *The New Mexican*, and so we were invited by the Mayor again to hold a larger scale Plaza Farmer's Market. Our priorities really are our Tuesday morning market and our Southside market. We're really committed to developing those as ways to get local fresh produce to Santa Fe citizens and to build market opportunities for our vendors. So the conversation was that if we were going to expand into this 4th market, and put the resources toward, that we need to have some sort of support from the City. *[inaudible because of noise overlay]*"

Councilor Harris said, "I'm glad you brought that up as the negative, the consequences, so the negative consequence is City-sponsored Farmers Market Events may be looked upon by citizens as not being supported by the City. I don't think that's the case. I think the citizens of Santa Fe provide a lot of support. They want the Farmer's Market to succeed and all of the vendors, and as part of their support, I think they're willing to pay 25 cents for 15 minutes, 50 cents for 30 minutes. Even May is a stretch for me. I just don't think in the folks eyes, who attend the Farmers Market, I just don't think it's a negative to have to pay a small amount for parking."

Councilor Villarreal said, "Well, I would rather have staff maybe break that down as to how the lost revenue came about, because it doesn't sound like it to me. So I would like to see that. I don't know who to ask for that since they're not here."

Chair Dominguez said we can provide direction to staff to break that down for us before we get to Council.

MOTION: Councilor Villarreal moved, seconded by Chair Dominguez for purposes of discussion, to move this forward, with direction to staff that the next time we hear it for staff to be able to provide an assessment of how they came up with the lost revenue number, with Councilor Villarreal noting she has grammatical changes for staff before this goes to the City Council.

DISCUSSION: Chair Dominguez said he is glad to see that we're thinking about the south side and providing fresh fruits and vegetables. He said although we may not get the parking fee we potentially get GRT revenue from someone who is taking advantage of the free parking. He said, "Just wait until you hear some of the other freebies that some members of the community want and we'll be able to place a value on that."

Chair Dominguez continued, saying, "Nonetheless, I think we're going to go ahead and move this forward. If there's anything specific that you want, Councilor Harris, make sure you get it to staff before it gets to Council. Please not the direction and the information that Councilor Villarreal wants with regard to parking. And I'm not opposed to moving on parts of the bill separately, but that's not what's on the table."

Councilor Maestas said he met with some downtown merchants on Friday, and parking was a big issue. They complain because the City makes them pay \$100 to pay for the holiday free parking and in general they feel the parking problems in downtown Santa Fe discourage Santa Fe families from coming to the downtown area. He agrees that a break here and a break here starts to add up. He said the Farmers Market will attract families to the downtown area and could help downtown merchants with sales to Santa Fe families, which could be a positive.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

31. **REQUEST FOR APPROVAL OF A RESOLUTION CALLING FOR A FEASIBILITY STUDY FOR TRANSIT CONSOLIDATION BETWEEN THE CITY OF SANTA FE AND THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT (COUNCILORS MAESTAS AND VILLARREAL). (ISAAC PINO) Committee Review: Transit Authority Board (discussion item) 03/22/16; Public Works Committee (approved) 03/28/16; and City Council (scheduled) 04/13/16. Fiscal Impact – Yes. \$15,000 for professional services.**

Councilor Maestas said the North Central Regional Transit District has been around for a while, noting it was formed during his term as Mayor of Espanola. At the time, he was approached to see if the RTD could provide services in Espanola. He said he believes if there is a regional entity specializing in one service, it's got to be better than a city government that has to provide a multitude of services, so that was his rationale. He said at the time, the transition was seamless and all public transit workers transferred to the RTD with tenure, service and benefits. He said since then the RTD also has taken over providing

transit services in the Town of Taos. He said the Executive Director told him, after the transfers, the employees got a bump in pay. He said the RTD has a proven record of providing transit services in the Metropolitan area, "albeit a small city area."

Councilor Maestas said this legislation proposes to study the feasibility of regionalizing public transportation services, as well as looking at efficiencies in our current transit services. It could be that it's not feasible to do this in Santa Fe. He said RTD has agreed to take the lead in securing the federal funding for this feasibility study. He thinks it is consistent.

Councilor Maestas said asked Becky from the City Attorney's Office to provide a copy of a Memorandum dated March 31, 2016, to the Finance Committee, from Isaac Pino, Public Works Director, regarding Transit Consolidation Study. He said the Resolution we adopted ratifying the City framework is on packet page 6, Item #10, there is an amendment he added provides, "... explore and publish it with appropriate public and private entities the feasibility of privatizing and regionalizing services currently provided by the City." He said this is in our current budget and framework in the form of this Resolution, and he thinks the administration saw merits in moving on this, and initiated discussions directly in the absence of any policy action by this Governing Body other than this resolution to see if the RTD is interested in a joint venture and a feasibility study. That is what this is.

Councilor Maestas said it is premature to think about all of the problems in advance of the feasibility study, and believes a lot of concerns voiced so far are important. He said with regard how we can we guarantee that all the programs adopted so far, the fee waivers, the programs and the levels of service, will continue under RTD management. He asked Ms. Brennan to attend this evening and answer any legal questions we might have. He said, "She did give me a preliminary opinion to tell me that this is something that can be worked out, and there could be some complications associated with federal regulations, since the RTD is a recipient of federal funds. And there are other concerns similar to that. I think if we first look at the feasibility then I think we can start looking forward and asking some of these questions under a scenario of a possible merger with the RTD."

Councilor Maestas continued, "Brian is here is well. I think Brian engaged in direct negotiations and negotiated the letter of intent in there. I think there letter of intent is fairly complete. I think it addresses a lot of the key issues in this endeavor. But the important thing is that the City of Santa Fe is going to be an equal partner with the RTD in developing the scope for this feasibility study. And there is funding at stake here as well. I think we saw what we could do by spending down the bonds adopted by the GRTs that was subsidizing the Water Fund. It put us in a position to repeal that and replace it with General Fund new GRTs. So this could be a potential windfall if this consolidation or merger can occur in the absence of the GRTs currently dedicated to public transportation. We're talking about \$7.8 million as the Ordinance is currently written. If we do the merger there would no longer be a City Transit System and the dedication can stay in effect, but the secondary allocation is to quality of life programs that are General Fund Funded. So it would be a benefit to the General Fund, assuming this merger can occur and it would be attractive to the RTD without the 1/4% GRT."

Councilor Maestas continued, "There are efficiencies here, there's local control, there's carry over of all the legacy programs that help our community. I feel this is a worthy investment. I think our local match will be about \$15,000. And I think we can begin to answer some of these questions and probably get the Study to answer some of these questions. So, Brian and Kelley are here to answer questions. I think this is a good effort. I think regionalizing our services should be the next chapter in building a better government. And as I started before, when we did benchmarking with larger cities, we saw imbalances in certain area. And on further review found out some of the big cities have regionalized their services – and operations, overhead and employees are off their books. That's just not my underlying goal, I'm just telling you some of the consequences and positives of regionalization."

Councilor Maestas continued, "So I'll close by saying there are other services that are regionalized, but not quite. Buckman is kind of a bi-government water entity. It's got potential to be a regional entity. Santa Fe Solid Waste Management Agency is a bi-government agency, independent but not truly regional. So we have quasi regional models but we haven't taken that next step. But in Transit when talking about the RTD, it is a true regional entity that has realized all the efficiencies of focusing solely on public transportation."

Councilor Maestas continued, "And lastly with the gentrification and the cost of living here in Santa Fe, a lot of the folks that really rely on public transportation are being pushed outside the limits. And if we had the one-stop shop agency, they can facilitate that connection between the outlying, unincorporated areas and internal public transportation systems. I think this could improve access to the City Public Transit Services and help those of people who live in the unincorporated parts who need help getting into the City. That's the end of my filibuster."

Chair Dominguez spoke with Isaac Pino earlier who told him that when he spoke with the people from the RTD, the anticipation is they want everything to be on the table, all the questions we have to be asked so they can consider those in their deliberations in developing an RFP. He said, "Let me just make the comment to the Committee that all questions are on the table and they should be asked in this context."

Chair Dominguez continued, "And I will say, Councilor Maestas, there is a financial interest and that's fair enough, and it's really relevant to the study. For me, part of my concern is, at what cost. How much political control could we give up in the end of the whole conversation. So some of the questions I have and I don't know what City staff is here to answer questions. And you kind of alluded to this Councilor Maestas and it is a worthy question, is do we know yet whether or not the RTD is going to utilize that entire 1/4% GRT or just part of it, is there an anticipation there. That really is an important piece. If they're to ask for the entire 1/4% GRT then that changes the conversation a little bit. If they're only asking for some, how much. I suppose that probably what the study will flush out. I would imagine they're not going to just take it over without some revenue stream for them."

Mr. Snyder said one of the purposes behind the Study is to look at what our bus services runs, routes, and how they can provide the same or better level of services to areas of needs, as well as looking at the financial structure. For example, the RTD has no fare box. They believe there are too many controls in place, too much training, too much level of effort to collect a minimum fee for fare boxes. One

of the purposes of the Study is to analyze everything, what is realistic, what do they need to collect, do they need all the GRT, can the GRT be reduced. His initial conversation with Tony Mortillaro, the Executive Director was that they were looking as a Board, a regional tax, so they would be able to reduce taxes within the City limits, but do the GRT regionally.

Councilor Maestas said it would be 1/8%.

Mr. Snyder said the goal is to evaluate the finances, as well as effectiveness, efficiencies and those kinds of things.

Chair Dominguez said he imagines that is part of what will be part of the feasibility study – looking at the numbers. He said as he recalls, part of the reason the voters approved the 1/4% for transportation was to keep it local, and have that local control over transit. He asked if we can collect monies from the taxpayers using our tax authority and then just hand it to the RTD. How does that work.

Ms. Brennan said, "I can't answer that question. And I was certainly older than you were at that time, but I was not here, so we would have to research that to find out what the intent was, and whether it can be. I would guess that it could, and that local control and a number of items would be a matter of a contractual agreement between the RTD and the City."

Chair Dominguez said, "I would like to make sure we get some of that, because like the conversations with the Water Department, we want to make sure we are living up to the promises we made to the public about public transportation, and how they envision their money being used for that purpose."

Chair Dominguez said he wants to bring up the whole idea of equity, noting it has been articulated most recently at the Council meeting. It is a huge issue, and not just in the sense of the RTD, it's an issue they're already had conversations about, because our Pueblos probably have concerns about equitable transportation. That term isn't new to the RTD. He asked, "Is there anybody that can answer that."

Thomas Martinez, Fleet & Facilities Manager, said, "The best I can say is that the RTD wants every question you have to be on the table, and the study will go through and that will be coming for you guys, what would be the best."

Chair Dominguez said, "That's something that I want to have considered then, Councilor Maestas, because if equity is going to cost more, that's something that needs to be determined sooner rather than later. I don't want to go down the road of doing the feasibility study, and all of a sudden the RTD says, well, if we're going to really be equitable, it's going to cost us more money. It just opens a whole different can of worms. The reason I think that is an appropriate conversation for them to consider in the study is because transportation experts, especially as you stated Councilor Maestas, is that transportation is their business. I imagine they understand what the term equity means in the transportation world. I think it's something that needs to be answered. Because it speaks to the last point I want to make having to do with the political control that we could potentially be losing."

Chair Dominguez continued, "If I read the MOU, was it an MOU or was it a..... I guess the Resolution the RTD provided us just talks about how we will be pursuant to the intergovernmental contract in terms of representation. There is a part of me, quite frankly, I would rather rely on doing the politics here in these chambers with my colleagues to get the 4 other votes I need to make sure that our public is served appropriately and not rely so heavily on the politics that come into play in our reliance, whether it's Santa Fe, which seems to be the most natural choice, or any other member of the board. That is something that is very concerning to me, and the reason I said in the beginning, all the feasibilities and all the financial stuff is relevant, but at what cost. I don't imagine the Board is interested in amending that part of the agreement, maybe give us even more control on how the funding is being use."

Chair Dominguez, "I think that breakdown, Brian, the makeup of the Board, who's on the Board and what the politics mean to the City of Santa Fe, because that is the one thing I would hate to do is to lose the local control over how our constituents get service. And in that vein, for how long. Because we have an agreement today that makes financial sense now, who knows what it means to constituents 2-3 years down the road. Amendments will be made to the level of service. I say this, not to say we shouldn't do this, but just as a very very precise word of caution to our members on the Governing Body, to lose that local control is, in my mind, pretty significant. These are my comments."

Councilor Ives said as he understands the measure, he doesn't see there is anything to lose by having this study done, at a cost to us of \$15,000 which is 1/2 of the 20% match of the \$150,000 being made available for the study. He is in favor of moving forward, doing the study and getting the questions. He said he spoke with the Public Works Director in terms of his conversations with the RTD to confirm that all questions are on the table and should be asked. He said his question is, "To whom should we direct those questions so they can be incorporated within this study."

Chair Dominguez said his impression is we should ask these questions now so they get on the record and staff can propose them to the RTD.

Councilor Ives said all Councilors can ask questions, but every Councilor hasn't attended Public Works and aren't here, so we need to make sure there is a mechanism to propose questions. He said if there is a deadline for submitting questions, to whom and by when should those questions be posed.

Mr. Snyder said this will move forward to Council so all Councilors would have the opportunity. He said, "I would like to get it as a matter of record, so we don't have emails flying to Ike or to myself. I think it's important that we realize what the scope is, and we need to set expectations on what is important to that scope, so as it moves forwards and the deliverables are or not being met, we can make sure we're leaving the target. If the scope is so wide we aren't able to capture everything, that's a problem. The reason I would like to streamline the process as much as possible, from a question asking standpoint, are the various committee stops and ultimately Council. I would like to get it as a matter of record so staff, as they move forward, take those from the meeting minutes, take them to RTD and say, here's a list of City's questions, we want to have incorporated in the Scope of Work. We can make sure of that so we're not having 10 different emails as well as meeting minutes. That's what I would prefer the best."

Councilor Ives said we have a list of questions that were posed at Public Works, noting he is still garnering input from constituents and people in the community, commenting he shares the concerns about equity and the justice of the proposal. He will try to have all of his questions ready to pose by the time this comes to Council.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal for discussion purposes, to approve this request, with direction to staff as discussed under this Agenda Item.

DISCUSSION: Mr. Snyder said in the conversation he and Oscar had with the RTD Director, the RTD Director realizes that if the RTD were to take on Santa Fe would quadruple its current size. He said, "I would recommend if you have a concern as you raised, put it on the list for membership. Maybe it won't be a majority on the Board, but at the same if it's quadrupling the size he's cognizant of the impact on his operations. As stated before, I wouldn't hesitate to include that concern so we can incorporate it into the scope."

Councilor Villarreal said she is a cosponsor of this legislation because she thinks we should have had a regional transit system before we started in our own direction. She wants this move forward because it doesn't hurt to look at the feasibility of certain ways to serve more people. It is an issue of equity. There is an equity that happens all around of City in rural communities in unincorporated areas that don't get served in terms of transportation limitations."

Councilor Villarreal said the RTD letter of intent covers a lot of questions we have, but there is one area, G, which provides, *The District and the City agree that in the event that a consolidation is recommended, that the parties agree to pursue such consolidation.* The way she reads that is that if there was a recommendation to consolidate it, that we would then move forward with the consolidation without stepping back and thinking of the possibility of weighing the options once the recommendations come to us. She is curious if that language sets precedence for us, or as a legal requirement for that.

Ms. Brennan asked, "Is your question whether this requires us to enter into the agreement. The agreement, in the event a consolidation is recommended and the parties agree to such consolidation. So we would have to agree the consolidation was worth pursuing before we entered into an agreement. So I don't think it compels us to act on a recommendation that we don't agree with."

Councilor Villarreal said she is making sure the language doesn't commit us, if there was a recommendation to consolidate, that we would then move forward with that recommendation.

Ms. Brennan said, "We wouldn't be required to. We would have to agree that it was something we wanted to pursue."

Councilor Villarreal said then we're okay with that language as it stands for RTD, and Ms. Brennan said yes.

Councilor Villarreal said perhaps there is a need and she and Councilor Maestas can look of including language talking specifically about the social capital of the project, the needs of communities that would weigh into the picture, other than just the financial pros and cons, and that there would be a social capital piece to it. She wants to look at that later with Councilor Maestas and think about that.

Councilor Villarreal said, "And the other record I would like to include if we're talking about possible points made about some things to consider that we need to address, we're looking at as this moves forward, conversations and points made by the Transit Authority Board about this had some very specific points to look at and she wants to make sure those are included in some of the concerns or questions we need to consider in looking at the structure."

Councilor Harris asked Keith Wilson, MPO Planner, what the 25 year plan has to say about regional systems, noting the City accepted the 25-year plan in August 2015. Does it anticipate a plan.

Keith Wilson said the MPO recently completed a Public Transit Master Plan, which looked at existing systems. But it didn't say we should be looking at consolidation with the NCRTD, but it talk about inter-agency cooperation, so Santa Fe Trails, NCTRD and NM DOT Park and Ride don't have separate systems for people tracking with our buses, and they should be all under one roof or one system. He said transit systems are inter-related. You will take a Santa Fe Trails bus to the Railrunner, to Park and Ride or to the NCRTD. So it goes to that impact. It also looked at some of the existing systems as to how they could be improved, and made preliminary recommendations on that sort of stuff, but it didn't go as far as saying...."

Councilor Harris said you have had that worthy discussion, but seems as if it is appropriate to move it beyond just a discussion and into some sort of study. He asked, assuming we get to that point, what questions would we have – what questions have been raised as you think about a regional system. He said, "You folks are the experts. You think about and look at this every day. It seems you would have a whole host of questions about what would have to be dealt with – evaluation of rolling stock. There are all kinds of things that need to be considered. Would it be appropriate for you, in your capacity, to create questions about what might lie ahead and should be studies."

Mr. Wilson said he doesn't have any right now, but said they have offered to the City and the NCTRD, if the study moves forward that they are willing to help and participate. The feedback they have received is that you will be using the Public Transit Master Plan we did, to create useful demographics and other information to inform the studies that were followed. We are more than happy to sit with staff from the NCRTD and try and formulate some of these questions, perhaps more technical in nature that should be considered, noting Tony Mortillaro sits on the Technical Coordinating Committee, and Santa Fe Trails has a member as well.

Councilor Harris asked Mr. Snyder asked his thought on that type of exercise, commenting he thinks it would be useful, if the notion is to get areas of concerns, questions raised, that should be studied. It seems as if people such as Mr. Wilson and his colleagues are people who should asking some of those questions.

Chair Dominguez said we need to make sure we don't put staff in a position to be speaking on behalf of the MPO, the Board itself.

Mr. Snyder said there is no problem in staff participating to provide technical from their level of expertise, and it is a good dialogue and should be considered.

Councilor Harris said he thinks we can draw on their expertise up front, rather than sorting things out after the fact, although he doesn't how to make that work, but thinks we should consider that commenting he thinks it would be useful.

Councilor Harris said he understands the 1/4% GRT is that it's for Transit and Quality of Life, noting that is \$7.8 million, and 62% goes to Transit, \$4.836. He said we're talking not about \$7.8 million, but more \$4.8 million.

Councilor Maestas said the General Fund used to get \$1.25 million automatically, but we agreed to stop the \$1.25 million to the General Fund, so the percentage now going to Transit just went up, and the Quality of Life allocation stayed the same. Responding to Councilor Harris, he doesn't think the Resolution we're being asked to consider reflects the current policy. He said those percentages reflect the \$1.25 million that used to go to the General Fund. He said it is 79% to Transit and 21% to Quality of Life.

Councilor Harris said if that's the case, then we need to correct the figures at the bottom of page 1 and the top of page 2 of the Resolution.

Councilor Maestas said the RTD is the recipient of federal funds, so they have to comply with many, many federal requirements - ADA, environmental justice. There are a lot of requirements to go along with this. He noted that the study will be funded by the Federal Transit Information, so there will be additional federal requirements with those funds.

Councilor Maestas continued, saying Mr. Snyder said the RTD has no fare box return, it's free, but that potential is there. He said our fare box return currently is about 7% and the overhead is about 3%, commenting, "It's almost free as it is with a 7% fare box return, where average public transit systems have a fare box return that is twice or more than that. So if you look at our operation, 7% fare box return with a \$7.8 million subsidy.... free transit could be a very real possibility. In terms of equity, can you imagine how many more people would ride public transit if it was free, especially those in great need. I throw that out and I think it could be very possible that if there is a merger it could be free. Thank you for allowing me to make comments on this bill. I appreciate that."

Chair Dominguez said, "One question I would like staff to pose to whomever needs to hear this question is, number one, is how the consolidation will promote and implement equity. Because right now, things are not equitable, and I don't want to create a situation where we have to twist arms and play politics to get something done that we think is more equitable. I would like for staff to give us an analysis of the taxing authority, what the original intent was, when it was approved by the public."

Chair Dominguez continued, "A quick comment. If the RTD is not going to need the entire 1/4% GRT, then I think we need to start thinking about what the plan is with what we're going to do with the revenue. We're either going to repeal the tax and our constituents will pay less tax in the community. What are we going to use that revenue for. Are we going to use it to shift it over like we have been, into the General Fund. There are restrictions I imagine to that. Oscar. It's not necessarily one-time expense."

Mr. Rodriguez said, "It would be ongoing. Indeed, I would recommend that be part of the plan for dealing with the Hold Harmless that we will be looking at in the future. That will go a long ways to it, it won't do away with it completely."

Chair Dominguez said, without having to make that decision now, he thinks it's something which would be beneficial for us to know ahead of time, because we potentially will be freeing-up revenue.

Councilor Maestas said perhaps we should include the current Ordinance for that GRT in the packet for Council, so Councilors can see the current allocation, and can see the sunset provision, providing if the Transit system sunsets, nothing has to happen, but the remainder of the funds going to Transit goes to Quality of Life.

Chair Dominguez said we need to know that ahead of time and our ability to increase the service to the public, which speaks to the whole governance part of it. He said, "I would also like Brian is if we can.... I don't see anything in here that identifies the makeup of the Board now, of the RTD. So who is on it, how many people are represented and from where, or if we get 4 votes or 6 votes."

Councilor Maestas said, "6 votes."

Chair Dominguez said, "So that means we have to have one more to come our way to get a majority. I'm not quite sure we can depend on anybody these days for anything when it comes to Santa Fe. But I would like to think that maybe Taos would be."

Mr. Rodriguez said, "Having had this conversation while I was in Taos, the concern there is if it merges with Santa Fe, then Santa Fe is going to control it all."

Chair Dominguez said, "And that's what I mean, for the record, is we lose some of that. Because, all of a sudden, I'm not depending on the folks in this room who are representing the people in this community. I'm dependant on somebody from some other jurisdiction to get what we really need in this community. And so that's a concern of mine. I just want to make that for the record. That's a huge concern of mine, and it's huge. So, let me just make that statement, if you can get those two things for me."

Chair Dominguez continued, "And then, Brian, what's the timing you see on this. How do you see this flowing. I mean, our budget discussions are coming up here quickly."

Mr. Snyder said, "I don't see this being done by the time budget is done, definitely not. I expect it to be completed toward the end of the calendar year. So we would take action on it somewhere late in 2016, is when I would see it. The process, once it gets out of Council, is to get the RFP out to solicit the firm, get

the funding in place, select a firm and have them do the feasibility analysis, I can see late year, early 2017 to be the target."

Chair Dominguez said, "So can we just make sure that's a little bit clearer in the Memo to the Governing Body, because I know there are some comments somewhere about 2016, but it doesn't have to be so strict that we're tying ourselves to it. But just so we have an idea and picture of how things might roll out."

Mr. Snyder said, "Obviously we would try to expedite that as much as possible, but I don't want to commit us to having in done in September when that's not realistic."

Chair Dominguez said, "The other thing is we need to have, and I think Councilor Maestas identified this in part of his questions from Public Works, a very strong termination or claw-back clause. And then if we can just get a real precise, or clear picture on the breakdown of how the RTD operates now. What is their funding source, or the different funding sources, right. What do they use their moneys on, how much of it goes to administration. If we're going to turn this, potentially, to another organization, the public better understand very clearly how their money is being spent in that organization, so if we can just get some of that background information as well."

Chair Dominguez continued, "Okay, we have a motion and a second. Do we have a motion and a second. Yes. With direction to staff."

Ms. Helberg said, "You said the motion included direction to staff, but all I have is a motion and second."

Chair Dominguez said the direction is the questions that were asked.

Ms. Helberg said then it should read with direction to staff as discussed under this Agenda Item.

Chair Dominguez said that is correct.

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

32. MATTERS FROM THE COMMITTEE

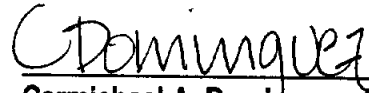
Chair Dominguez asked everyone to start looking at their calendars, and asked Yolanda Green to send an email to the members of the Committee letting them know when the budget hearings are scheduled and asking what days do not work for them, so we can start to put the calendar together. He said he will make sure to invite the rest of the Governing Body to the budget hearings.

Chair Dominguez said he is thinking about restructuring the agenda, depending on how long these consent calendar items are going to be discussed. He said we have to make sure we get staff out of here as soon as possible. He asked Mr. Snyder or Mr. Rodriguez if they have an indication on whether or not we are impacting overtime or compensatory time when we have staff here for long periods of time.

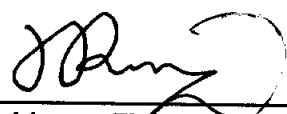
Councilor Harris, Councilor Villarreal and Councilor Ives had no matters.

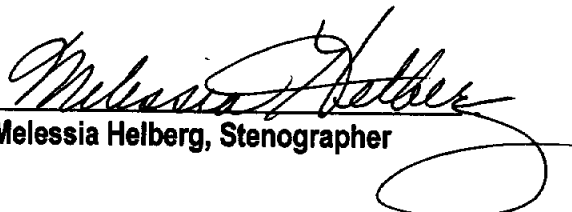
33. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 8:10 p.m.

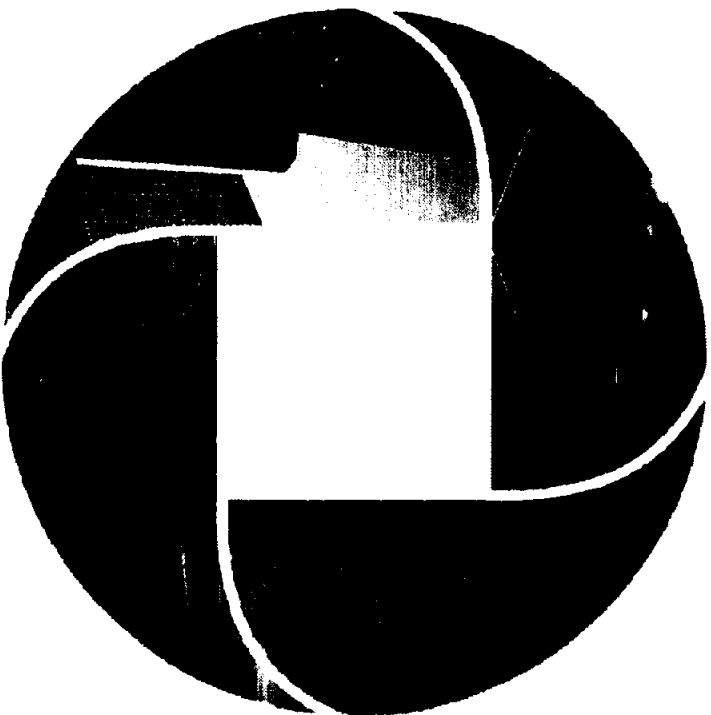

Carmichael A. Dominguez, Chair Dominguez

Reviewed by:


Oscar S. Rodriguez, Finance Director
Department of Finance


Melessia Helberg, Stenographer

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Preliminary Results

Tim Dettlaff, Sr. Vice President & General Manager Asset Sustainability
Jeff Page, Business Manager, Asset Sustainability Group

The City of Santa Fe

Exhibit 71

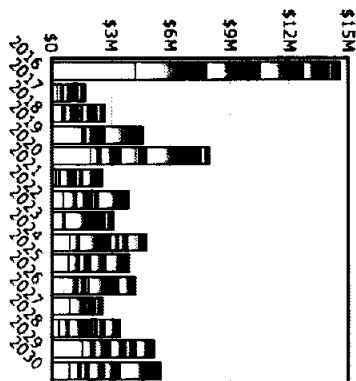
Asset Map / Dashboard

Asset Planning / Home Page

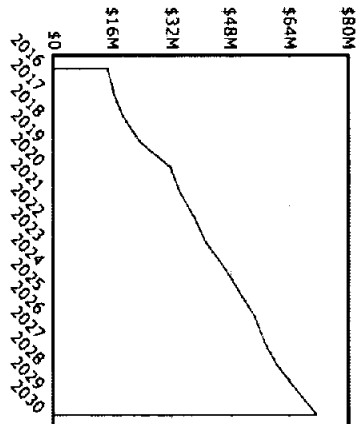
Add Favorite Print Help

Charts Asset Planner Overview

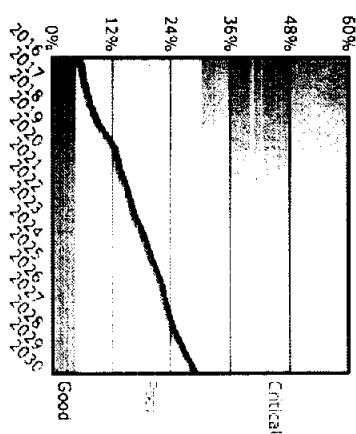
Assets by Disposition



☐ Cumulative Unfunded Liability

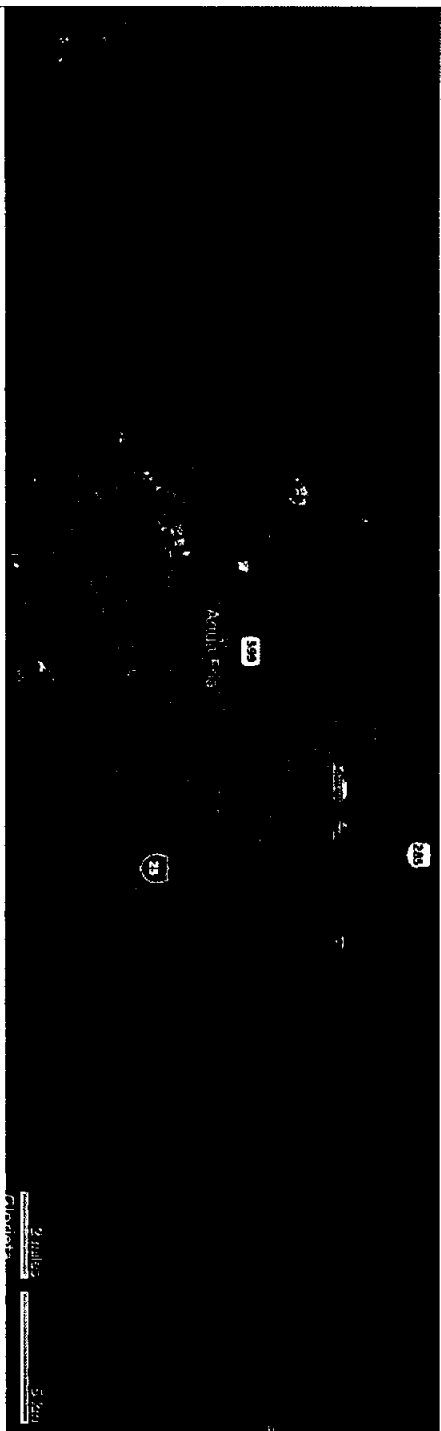


☐ Average FCI after Funding



Asset Map

Map Type: Aerial ☐ Group pins ☒ Center Map ☐ List ☒ Good ☒ Fair ☒ Poor ☒ Critical Year: 2016

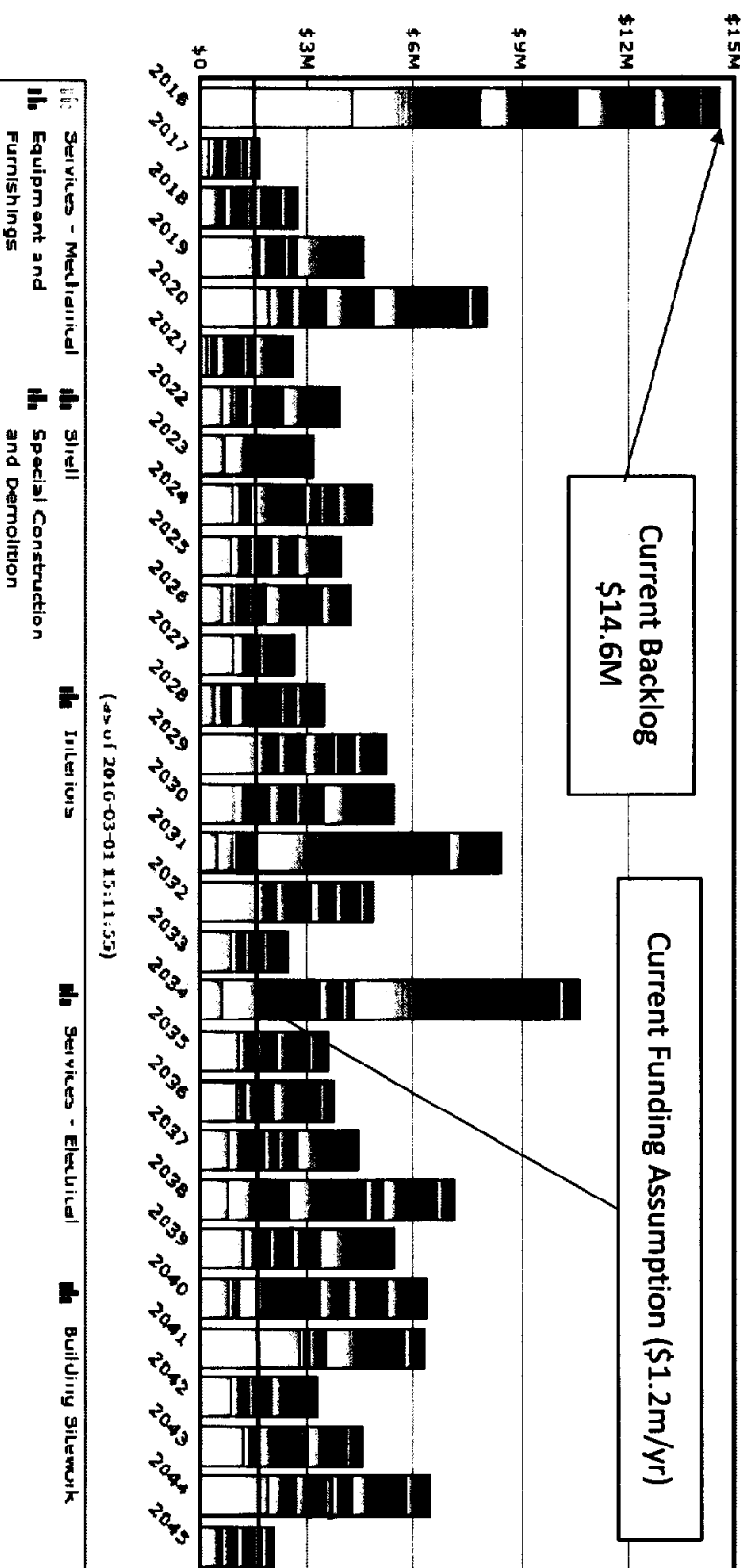


96 items loaded

Preliminary Results

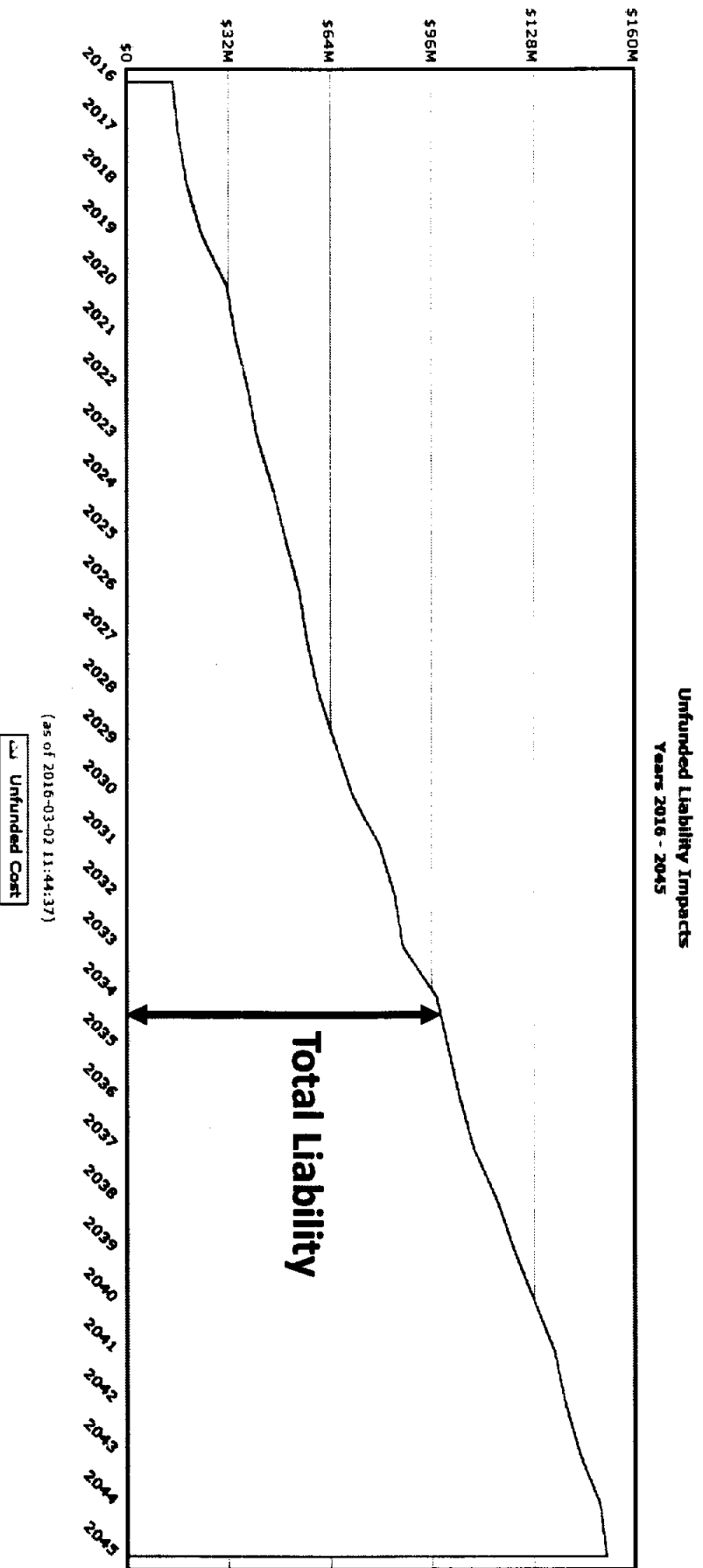
Projected Capital Needs

Cost by Discipline
Years 2016 - 2045



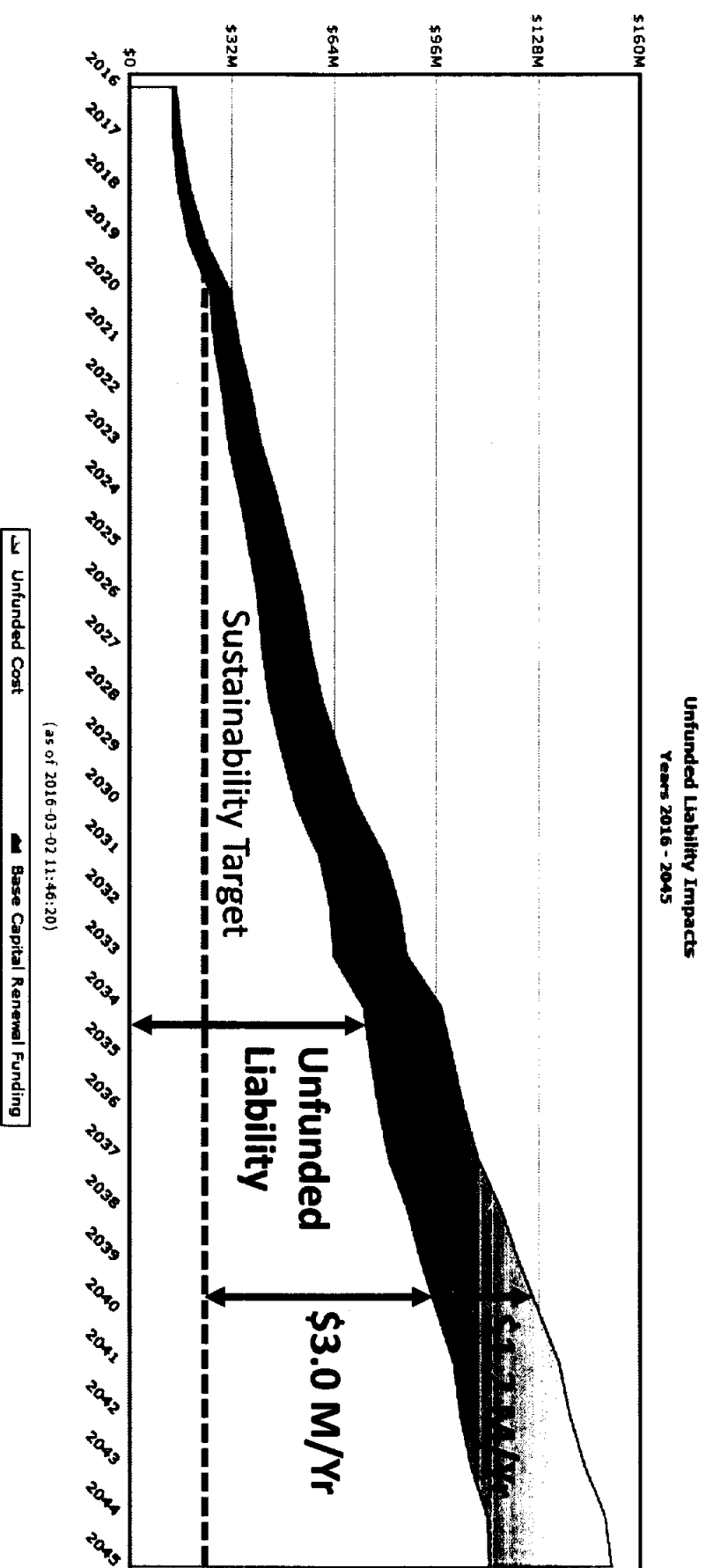
Preliminary Results

Projected Total Liability



Preliminary Results

Projected Unfunded Liability



Preliminary Results

Facility Condition Index (FCI)

- Industry Standard Index Used to Track Condition Performance of Facilities / Portfolios

$$\text{FCI} = \frac{\text{Renewal and Repair Costs}}{\text{Replacement Cost}}$$

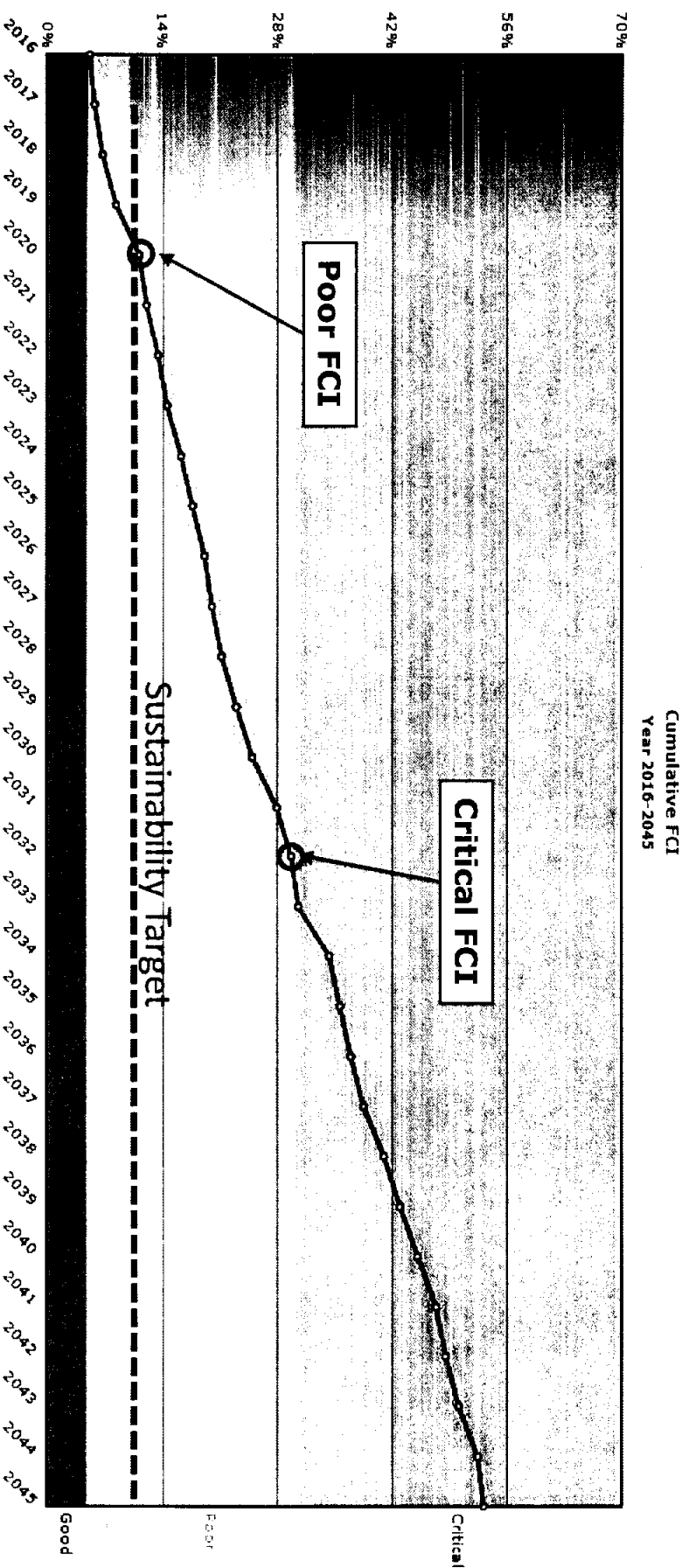
GOOD Range: FCI (0% - 5%)

Sustainability Target

Sustainability Target

CRITICAL Range: FCI (> 30%)

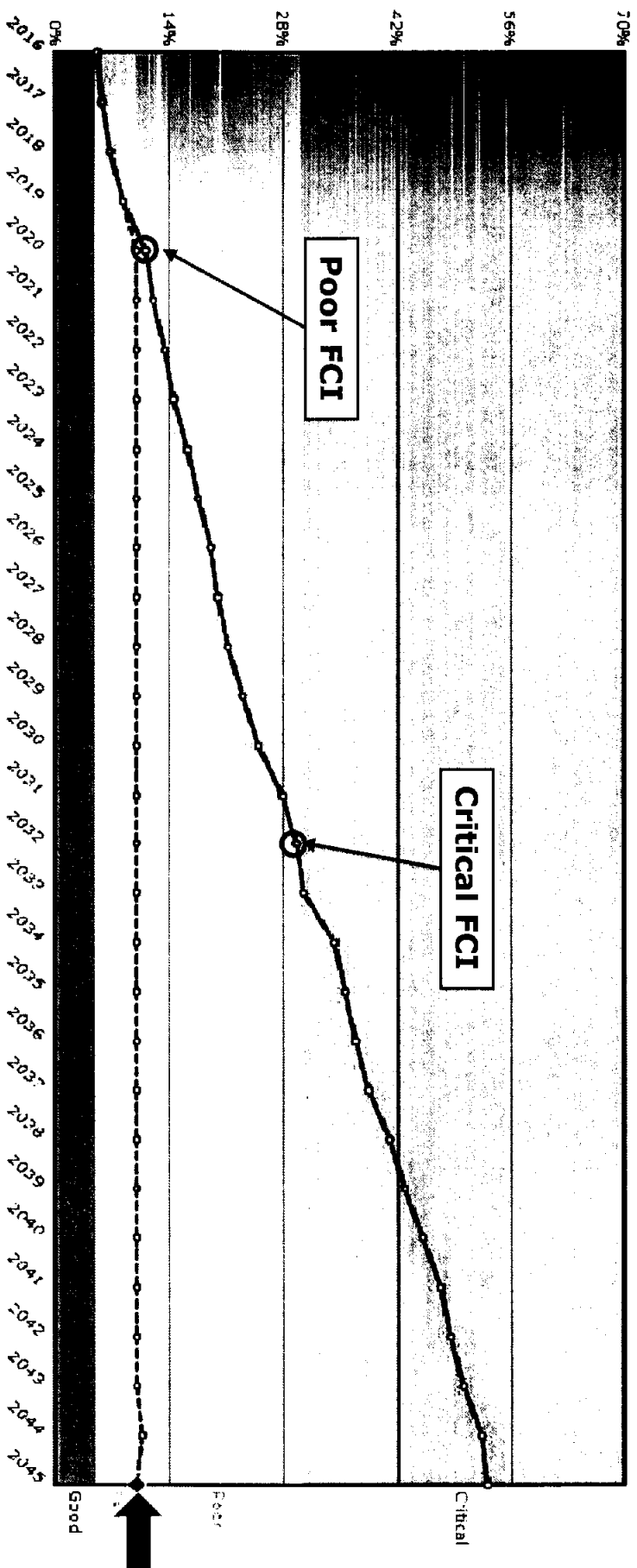
Projected Facility Condition Index



Preliminary Results

Projected Funding Target

Cumulative FCI - Needs Analysis
Target FCI of 10% in 30 Years
Year 2016-2045



10% FCI Target (Average Annual Funding): \$4,229,172

Preliminary Results

Life Cycle Impact – FCI Migration

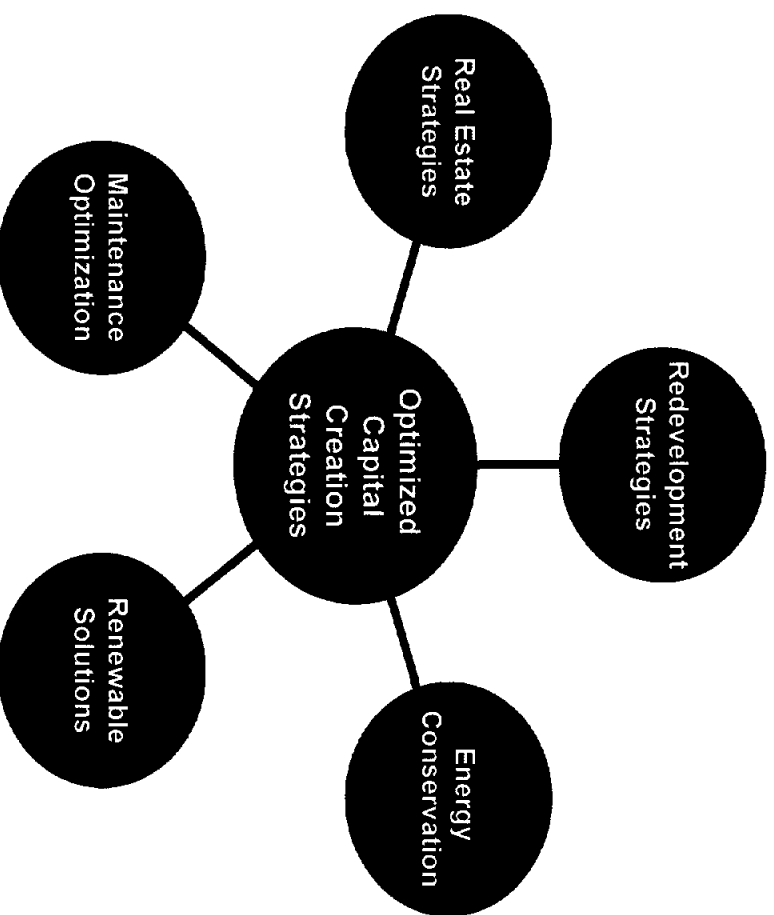
Name	Size (Sq.Ft.)	2016	2021	2026	2031	2036	2041
Airport	20,158	3.3%	5.8%	7.6%	17.5%	37.0%	41.5%
Environmental Services	47,476	0.0%	2.9%	4.0%	27.5%	36.9%	40.9%
Facilities	34,994		31.6%	42.3%	45.5%	49.0%	71.9%
Fire	94,162	4.2%			28.0%	40.8%	50.9%
General Government	48,689				42.0%	48.9%	66.3%
ITT Department	4,085		32.6%	43.1%	48.6%	53.9%	66.2%
Leased Spaces	15,929	6.8%			41.0%	54.3%	61.7%
Library	65,752	4.5%		30.5%	37.4%	48.2%	57.1%
Parking	440,200	2.7%	6.1%	7.8%	16.0%	19.6%	25.4%
Parks	2,792	0.1%	0.5%	1.0%	40.5%	44.4%	57.4%
Police	23,133	6.2%			45.8%	50.1%	53.3%
Recreation	227,349			37.0%	45.5%	50.5%	57.4%
Roadways & Trails	16,099	0.0%	0.0%	1.3%	12.1%	21.7%	31.2%
Senior Services	17,000	2.2%	30.6%	44.1%	51.8%	63.2%	81.2%
Streets & Drainage	37,478				32.9%	51.4%	66.7%
Tourism Santa FE	72,500	0.0%	1.5%	7.4%	35.9%	46.0%	57.4%
Transit	30,101	7.5%		35.3%	43.1%	55.1%	61.9%
Waste Water	182,243	4.8%			18.8%	44.3%	57.4%
Water	33,876	7.5%		35.3%	38.6%	52.7%	61.9%
Youth and Family	31,117	4.3%	9.8%		25.7%	35.3%	47.7%
Totals:	1,445,133						
		6.00%			32.78%	43.77%	57.41%

Preliminary Results

Capital Creation Strategies (CCS)

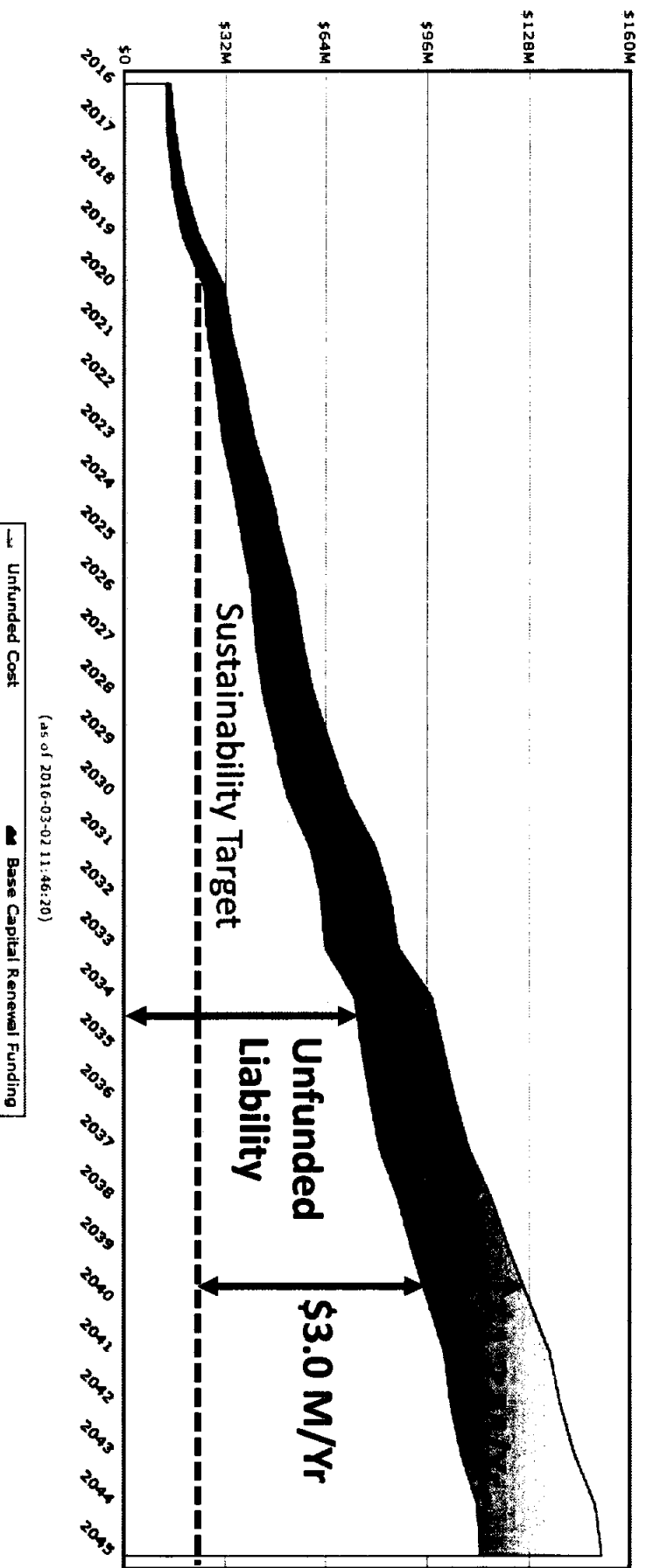
Leveraged and Bundled Capital Creation Strategies™:

- ✓ Energy Conservation
- ✓ Deep Retrofits
- ✓ Renewable Solutions
- ✓ Maintenance Optimization
- ✓ Consolidation Strategies
- ✓ Redevelopment Strategies:
 - Existing Infrastructure
 - Re-purposing



Projected Unfunded Liability

Unfunded Liability Impacts
Years 2016 - 2045

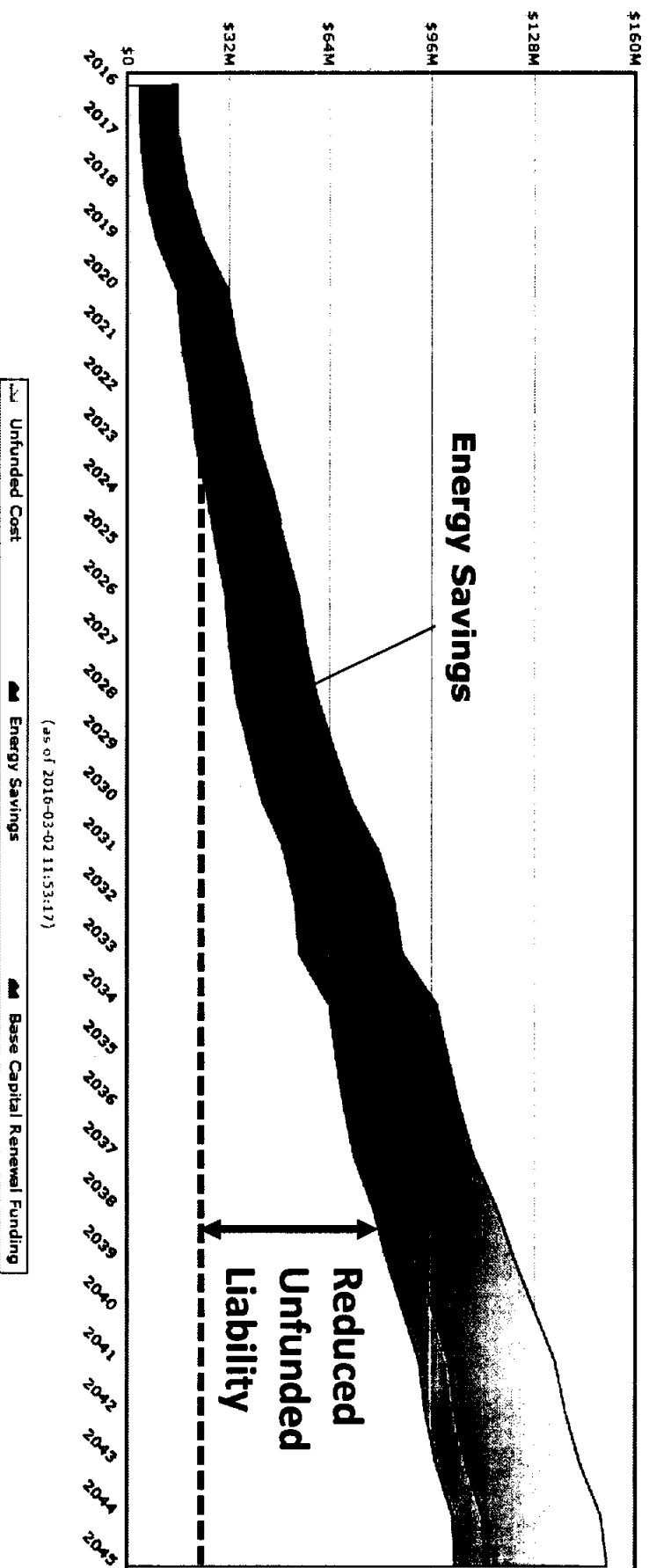


Preliminary Results

11

Capital Creation Strategy

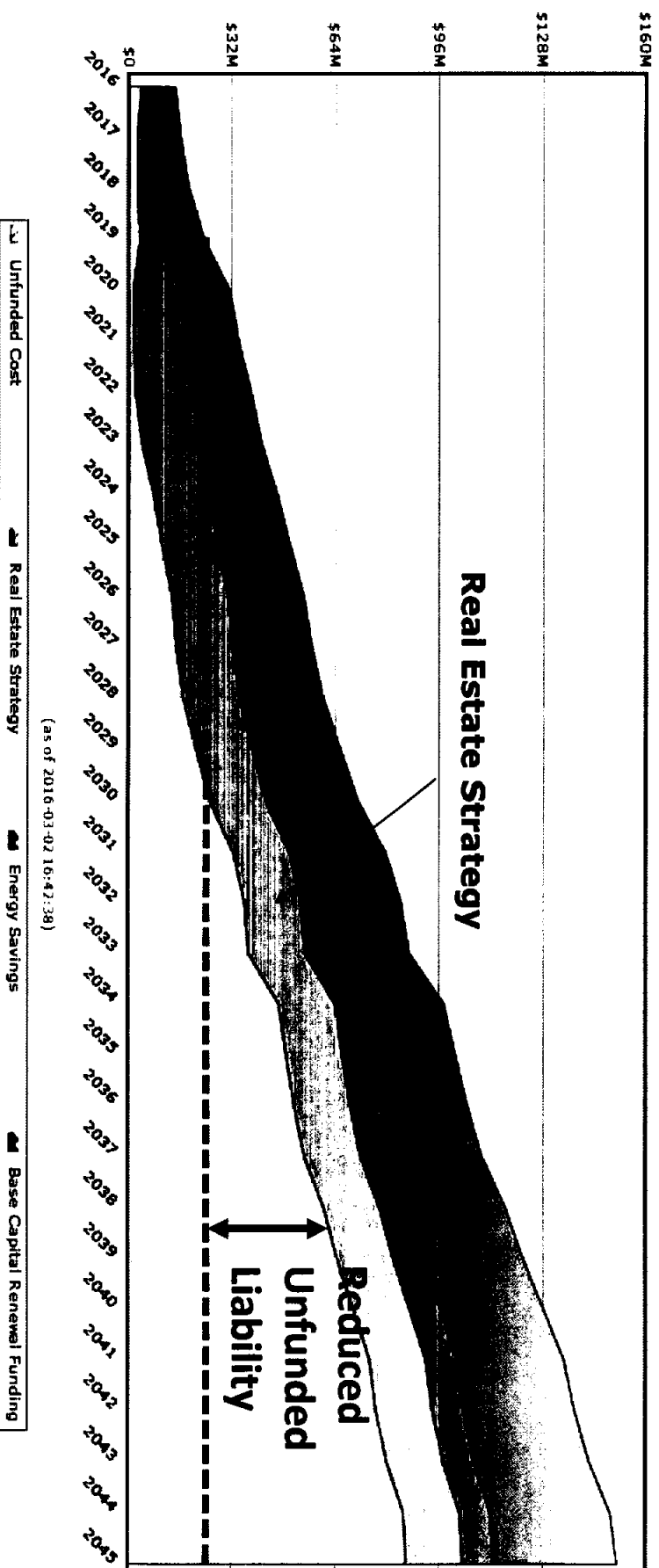
Unfunded Liability Impacts
Years 2016 - 2045



Preliminary Results

Capital Creation Strategy

Unfunded Liability Impacts
Years 2016 - 2045



Preliminary Results

Facilities Included in Preliminary Audit

Facility	Square Feet
Wastewater Treatment Plant (WWTP)	121,500
Railyard Parking Garage	200,000
Convention Center Parking Garage	146,000
City Hall	65,000
Genoveva Chavez Community Center	225,000
Ft. Marcy Recreation Complex	30,000
Salvador Perez Recreation Center	20,000

THANK YOU!

Jeffrey Page, MBA | 111 Speen Street, Framingham, Massachusetts 01701 | 801-850-1566



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GENERAL FUND

30-Nov-15

31-Mar-16

Recurring Revenues

ALL SOURCES	\$	78,743,306	\$	81,439,992
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Recurring Expenditures

ALL DESTINATIONS	\$	78,733,306	\$	83,176,483
Operating Suplus(Deficit)	\$	10,000	\$	(1,736,491)

Remaining Adjustments/Requirements

Positions Funded by Water				(1,196,383)
Storm Drainage				(1,556,459)
Projected Addt'l Ending Balance				<u>(3,500,000)</u>

DEFICIT TO FUND			\$	(7,989,333)
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Remaining Framework Actions

PILOT (FRANCHISE FEE)			\$	1,500,000
OPERATING CUTS			\$	4,000,000
FEE INCREASES			\$	<u>2,500,000</u>

Sub-total			\$	8,000,000
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Balance			\$	10,667
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Exhibit "2"

GREEN, YOLANDA B

From: SELIGMAN, REBECCA X.
Sent: Monday, April 04, 2016 9:57 AM
To: MAESTAS, JOSEPH M.
Cc: GUILLEN, JESSE B.; GREEN, YOLANDA B
Subject: RE: Final Reso 2015-?: Reso Providing Guidance on the Structure of the Budget...
Attachments: Budget Guidance Resolution_2016-16.pdf

Good Morning Councilor,

Attached is Resolution 2016-16 regarding budget guidance, approved on February 10, 2016. According to the Council minutes online, the vote was as follows:

For: Mayor Gonzales, Councilors Dominguez, Lindell, Rivera and Trujillo
Against: You and Councilor Dimas
Excused: Councilors Ives and Bushee

We will hand out copies of the resolution this evening.

Becky

From: MAESTAS, JOSEPH M.
Sent: Monday, April 04, 2016 8:41 AM
To: GUILLEN, JESSE B.
Cc: SELIGMAN, REBECCA X.
Subject: Final Reso 2015-?: Reso Providing Guidance on the Structure of the Budget...

Jesse:

Can you send me the final version of the subject reso' passed on February 10, 2016? I would also like it distributed to the Finance Committee members for today's meeting. Can you tell me what the vote was on that reso?

Thanks.

Joe

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2016-16**

3 **INTRODUCED BY:**

4
5 Councilor Carmichael A. Dominguez

6 Councilor Signe I. Lindell

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10 **A RESOLUTION**

11 **PROVIDING GUIDANCE ON THE STRUCTURE OF THE BUDGET OF THE CITY OF**
12 **SANTA FE AND CERTAIN REPORTING REQUIREMENTS.**

13
14 **WHEREAS**, the annual Budget of the City of Santa Fe is a critical document in the
15 City's annual planning processes; and

16 **WHEREAS**, the annual Budget should promote transparency in the fiscal affairs of the
17 City of Santa Fe; and

18 **WHEREAS**, the annual budgeting process should promote the ability of the Governing
19 Body to make policy priority choices for programs and funding each fiscal year; and

20 **WHEREAS**, changes are required in the annual budgeting process to ensure that the
21 budget is properly balanced and the goals set forth above are realized; and

22 **WHEREAS**, the City Finance Department has advised the Governing Body that in the
23 next fiscal year, 2016-2017, the City faces an estimated \$15,000,000 budgetary shortfall, and
24 needs to correct some prior practices (inappropriate allocation of City labor charges, bridged
25 expenditures, special fund carryover deficits, etc.) within the budget, all of which have accrued

1 over a series of years; and

2 **WHEREAS**, the estimated budgetary shortfall does not incorporate any additional, vital
3 needs that have been deferred for many years and continue to increase; and

4 **WHEREAS**, meeting these additional, vital needs is substantial and include public
5 safety, community development, infrastructure, and quality of life facilities, services, and
6 programs; and

7 **WHEREAS**, these additional, vital needs are critical to establishing a thriving economy
8 and community with a high quality of life; and

9 **WHEREAS**, preliminary analysis of City staffing levels suggests that those staffing
10 levels are higher than in cities of comparable size, operation and structure; and

11 **WHEREAS**, the Governing Body needs to provide guidance on solutions to these
12 identified budgetary challenges.

13 **NOW THEREFORE BE IT RESOLVED THAT** the annual City of Santa Fe Budget
14 and the annual budgetary process shall be guided and governed by the following policies and
15 reporting requirements:

16 1. The City Manager shall, with policy guidance from the Governing Body, bring
17 forth a one year plan to eliminate the budget deficit estimated at \$15,000,000 using a
18 combination of spending cuts and revenue enhancements.

19 2. The City Manager shall analyze and compare comparison cities staffing, service
20 and expenditure levels to those of the City of Santa Fe, on a department by department,
21 division by division level, and present the findings of such a comparison within 45 days
22 of the adoption of this Resolution to the Governing Body.

23 3. Each City department and division will prepare and present performance
24 indicators to be used to assess annual performance within the department or division and
25 to allow for strategic budgetary policy considerations.

1 4. The City Manager shall identify and recommend specific cuts in positions,
2 expenditures and enhancements in revenues and potential fee increases, resulting in
3 attaining a balanced budget after one year, specifically considering among other matters,
4 the following:

5 a. Establishment of a reasonable charge to the City's utilities, similar in
6 nature to a utility franchise fee;

7 b. Necessary cuts or realignments of staffing levels utilizing
8 attrition and reassignment wherever possible;

9 c. Cost reduction opportunities in the procurement of equipment, products,
10 services, and supplies that includes in-sourcing, more economical
11 procurement instruments, outright elimination, etc.;

12 d. Continued delivery of necessary services to those youth and seniors
13 living in poverty;

14 5. Recognizing that based on preliminary work performed by the City Manager in
15 evaluating its staffing levels and the fact that employee expense equals approximately
16 80% of the City's annual budget, reductions in the number of City positions and/or the
17 expenses associated therewith will be a necessary part of the reduction and elimination of
18 the budget deficit, the City Manager shall bring forward a plan for reasonable reductions
19 in staffing levels, maximizing reductions through attrition, while ensuring that base
20 services are maintained at acceptable levels of service. Said plan shall additionally look
21 at early retirement incentives, and reductions in health plan coverage to ensure that health
22 plan excise taxes are minimized by the City (based upon the last estimate given during
23 the 2015-2016 budget process, such taxes will, absent changes to the City health plan,
24 begin being imposed in the 2016-2017 budget year and will rise to \$5,000,000 annually
25 after 7-8 years).

1 6. Basic services to be maintained in the budget process are public safety (police
2 and fire services), public utilities (water, solid waste, waste water), public infrastructure
3 (streets, sewer), social safety net for those in need within the City (homeless shelter,
4 services to youth and seniors in poverty), and efficiencies from the use of updated IT
5 systems and other technologies.

6 7. Staff is directed to review, analyze and report to the Governing Body on the
7 following potential expenditure cuts, along with others that they identify, some of which
8 are currently in process based on other actions by the Governing Body and by staff:

9 a. Reduction of interest expense through pay down of City debt, such as the
10 2006 \$34,000,000 water bond;

11 b. Exploration of opportunities for greater efficiency and cost savings from
12 updating or upgrading the City's IT infrastructure, recommending changes to
13 City IT systems that would result in cost reductions within a 24 month period,
14 including, by way of example and not limitation, systems that would allow and
15 promote direct deposit of payroll checks;

16 c. Preparation and delivery to the Governing Body of a report on overtime
17 use across each department and division, identifying structural, scheduling or
18 other changes that can be implemented to reduce overtime, in any and every
19 form, to minimal amounts;

20 d. Evaluation, report and make recommendations on leave policies
21 throughout the City, focusing on reasonable limitations on annual accrual of
22 leave and consequential financial liabilities;

23 e. Identifying possible incentives for early retirements and voluntary exits.
24 Identify and report on each position within the City that has been vacant for a
25 period of one year or more and make recommendations to eliminate it or bring

1 forward compelling reasons for its retention or elimination during the annual
2 budget process; and provide a report to the Governing Body monthly on what
3 vacancies have been filled; and

4 f. Evaluation and report on potential savings from changes to the City's
5 practices on use of vehicles, including creation of a citywide motor pool, take
6 home vehicle policies and practices, and including specifically protocols within
7 the fire department to dispatch a ladder truck with an ambulance to any call for
8 service. This shall include an analysis of when passenger vans can be utilized in
9 lieu of full size buses.

10 8. Staff is directed to review, analyze and report to the Governing Body on the
11 following potential revenue enhancement means, along with others that they identify;

12 a. An increase in gross receipts taxes of 1/8 of a percent pursuant to the
13 authority granted to the City to raise gross receipts taxes in light of the State of
14 New Mexico elimination of the hold harmless payments previously made to
15 cities and counties; such an increase would raise revenues an estimated
16 \$3,800,000;

17 b. The City's additional efforts at collection of revenues due it from various
18 fees, fines and penalties, identifying the amount in such fees, fines and penalties
19 that exist and what steps need to be undertaken to ensure collection of those
20 monies;

21 c. A potential increase in property taxes in the amounts associated with 1-2
22 mil, and specifically addressing any means of lessening the impact of such an
23 increase on those citizens within our community living in poverty or on fixed
24 incomes, who have the least ability to absorb such an additional increase, and
25 specifically addressing whether such a tax could be applied to luxury and/or

1 second homes; and

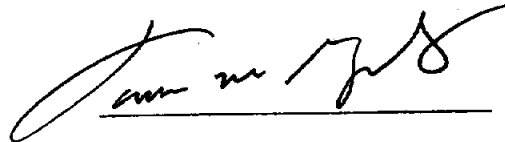
2 d. The existing 411 funds in which the City has approximately
3 \$220,000,000 to determine what funds are required to be maintained and what
4 funds can be closed with any excess funds being transferred into the general fund
5 account.

6 9. In preparation for budget hearings and to the extent reasonably practicable,
7 within the budget, and at a level that allows for policy priority making by the Governing
8 Body, each department and each division within a department shall develop performance
9 indicators and provide data on the effectiveness of the programs and expenditures of the
10 City in the prior fiscal year as well as the current state of need in the area of the particular
11 program; staff shall perform such functions and report to the Governing Body making
12 program support and funding recommendations

13 10. Explore, in partnership with appropriate public and private entities; the feasibility
14 of privatizing or regionalizing services currently provided by the City.

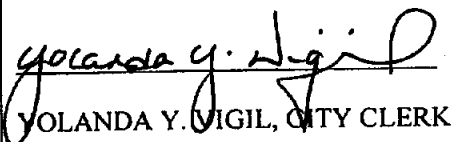
15 11. The City Manager shall place an emphasis on project management to ensure that
16 projects are delivered on time, within budget and in accordance with Governing Body
17 policy; and the City Manager shall ensure that regular annual performance evaluations
18 are done on all appropriate staff including Capital Improvement Project Managers.

19 PASSED, APPROVED AND ADOPTED this 10th day of February, 2016.

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22 JAVIER M. GONZALES, MAYOR

23 ATTEST:

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25 YOLANDA Y. VIGIL, CITY CLERK

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APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY A. BRENNAN, CITY ATTORNEY