



Agenda

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**PUBLIC WORKS/CIP & LAND USE COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
MONDAY, AUGUST 25, 2008
5:15 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM
 - JULY 28, 2008, PUBLIC WORKS COMMITTEE MEETING
 - AUGUST 5, 2008, PUBLIC WORKS COMMITTEE MEETING

INFORMATIONAL AGENDA

6. PRESENTATION OF PRELIMINARY AUDIT RESULTS FOR HOMEWISE AND THE SANTA FE COMMUNITY HOUSING TRUST **(KATHY MCCORMICK)**

CONSENT AGENDA

7. RODEO ROAD BRIDGE MAINTENANCE PROJECT
 - REQUEST FOR APPROVAL OF PROJECT OVERS AND UNDERS AND ADDITIONAL ITEMS WITH QUALCON, INC., IN THE AMOUNT OF \$34,243.01 INCLUSIVE OF NMGRT **(DESIRAE LUJAN)**
8. SANTA FE TEEN ARTS CENTER/WAREHOUSE 21
 - REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH FUNDING APPROPRIATED BY THE 2008 STATE LEGISLATURE GRANT NO. 08-L-G-4494 TO CONSTRUCT, EQUIP AND FURNISH THE CITY OWNED WAREHOUSE 21 FACILITY IN THE AMOUNT OF \$108,900 **(ROBERT SIQUEIROS)**
9. CIP PROJECT #106 – LA FARGE BRANCH LIBRARY – RENOVATIONS
 - REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 WITH GEW MECHANICAL IN THE AMOUNT OF \$117,097.34 **(CHIP LILIENTHAL)**
10. REQUEST FOR APPROVAL OF A SOLE SOURCE AGREEMENT WITH PETE'S EQUIPMENT OF ALBUQUERQUE FOR THE PURCHASE OF AN ELGIN SWEEPER IN THE AMOUNT OF \$164,661.00 **(DAVID CATANACH)**

11. PUEBLOS DEL SOL TRAILS RESURFACING
 - REQUEST FOR APPROVAL OF AWARD OF BID NO. 09/01/B AND AGREEMENT BETWEEN OWNER AND CONTRACTOR, ADVANTAGE ASPHALT AND SEAL COATING, LLC, FOR PEDESTRIAN AND BICYCLE TRAIL RESURFACING IN THE AMOUNT OF \$174,085.45 (BEN GURULE)
12. CIP PROJECT #684 – SANTA FE CIVIC CENTER
 - REQUEST FOR APPROVAL OF CHANGE ORDER NO. 16 TO THE CONSTRUCTION CONTRACT WITH CAMERON/SWINERTON IN THE AMOUNT OF \$204,935.00 (MARTIN VALDEZ)
13. CIP PROJECT #423A – MAGER'S FIELD PARK PHASE 2 IMPROVEMENTS
 - REQUEST FOR APPROVAL OF CHANGE ORDER NO. 4 TO THE AGREEMENT BETWEEN OWNER AND CONTRACTOR, ACCENT LANDSCAPING, IN THE AMOUNT OF \$210,064.06 (BEN GURULE)
14. REQUEST FOR APPROVAL OF THE 2008 STATE OF NEW MEXICO SEVERANCE TAX PROJECTS APPROPRIATION IN THE AMOUNT OF \$1,595,000.00
 - REQUEST FOR APPROVAL TO ESTABLISH PROJECT BUDGETS (DAVID CHAPMAN)
15. SANTA FE MUNICIPAL AIRPORT
 - REQUEST FOR APPROVAL OF GRANT APPLICATION – FEDERAL AIRPORT IMPROVEMENT PROGRAM FOR CONSTRUCTION OF AIRPORT RESCUE AND FIREFIGHTING STATION
 - REQUEST FOR APPROVAL OF GRANT AWARD – AIRPORT MANAGER TO ACCEPT FEDERAL GRANT IN ORDER TO MEET FEDERAL FISCAL YEAR DEADLINES
 - REQUEST FOR APPROVAL OF GRANT APPLICATION – STATE AIRPORT AID FOR CONSTRUCTION OF AIRPORT RESCUE AND FIREFIGHTING STATION
 - REQUEST FOR APPROVAL OF GRANT AWARD – AIRPORT MANAGER TO ACCEPT STATE GRANT AND EXPEDITE THE PROCESS (JIM MONTMAN)
16. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO THE PARKING GARAGE DEVELOPMENT AGREEMENT (PGDA) TO INCLUDE CONSTRUCTION CHANGE ORDER NO. 2 AND 3 IN THE AMOUNT OF \$91,572.00
 - REQUEST FOR APPROVAL OF BUDGET INCREASE FROM PARKING ENTERPRISE FUND (WALTER ROYBAL)
17. REQUEST FOR APPROVAL OF A RESOLUTION TO ACCEPT THE STATE OF NEW MEXICO GRANT NO. 09-521-A083068-0049 IN THE AMOUNT OF \$125,000 FOR THE PURCHASE OF A COMBINED HEAT AND POWER SYSTEM FOR THE GENOVEVA CHAVEZ COMMUNITY CENTER (NICK SCHIAVO)
18. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY OF SANTA FE TRANSIT DIVISION TO PROVIDE FREE RIDES ON ALL BUS ROUTES ON ELECTION DAY, NOVEMBER 4, 2008 (MAYOR COSS) (JON BULTHUIS)

DISCUSSION

19. CIP PROJECT #536 – ZONA DEL SOL – NEW ADDITION
 - REQUEST FOR APPROVAL OF BID NO. 09/02/B AND THE AGREEMENT BETWEEN OWNER AND LOCKWOOD CONSTRUCTION COMPANY IN THE AMOUNT OF \$888,325.63 INCLUSIVE OF NMGRT (CHIP LILIENTHAL)

20. REQUEST FOR APPROVAL OF A RESOLUTION AGREEING TO REJOIN THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT AS A VOTING MEMBER OF THE DISTRICT AND TO RE-APPOINT A BOARD MEMBER TO THE BOARD OF DIRECTORS (MAYOR COSS) (COUNCILOR CHAVEZ) (JON BULTHUIS)
21. REQUEST FOR APPROVAL OF A RESOLUTION ENDORSING AND ADOPTING THE WATER DIVISION 10 YEAR FINANCIAL PLAN (COUNCILORS WURZBURGER, CALVERT AND ROMERO) (GARY MARTINEZ)
22. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING CHAPTER 25 SFCC 1987 EXHIBIT B, WATER RATE SCHEDULE I; INCREASING THE MONTHLY VOLUME CHARGE FOR RESIDENTIAL, MULTI-FAMILY AND COMMERCIAL CUSTOMERS OF THE CITY'S WATER SYSTEM (COUNCILORS WURZBURGER, CALVERT AND ROMERO) (GARY MARTINEZ)
23. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING CHAPTER 21 SFCC 1987 REGARDING SOLID WASTE REQUIREMENTS AND ESTABLISHING SPECIAL CHARGES FOR SUCH SERVICES AS ADDITIONAL CONTAINER AND BAG DISPOSAL, DISPOSAL OF LARGE ITEMS, AND RECYCLABLE/NON-RECYCLABLE LOADS (COUNCILOR TRUJILLO) (BILL DEGRANDE)
24. 2010 – 2014 INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)
 - REVIEW OF PROCESS
 - REQUEST FOR APPROVAL OF PLAN
 - REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP) (COUNCILOR BUSHEE) (ROBERT ROMERO)
25. MATTERS FROM STAFF
26. MATTERS FROM THE COMMITTEE
27. NEXT MEETING: MONDAY, SEPTEMBER 8, 2008
28. ADJOURN

An interpreter for the hearing impaired is available through the City Clerk's Office upon 5 days notice.

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PUBLIC WORKS, CIP & LAND USE COMMITTEE
August 25, 2008

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21. Water Division 10 Year Financial Plan	Approved	14-15
22. Water Rate Schedule Ordinance	Approved	14-15
23. Solid Waste Charges Ordinance Amendment	Approved	15-17
24. 2010-2014 CIP Plan	Approved	17-18
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27. Next Meeting	Set for Sept 8, 2008	18
28 Adjournment	Adjourned at 8:15	18

MINUTES OF THE
CITY OF SANTA FE
PUBLIC WORKS/CIP & LAND USE COMMITTEE
MONDAY, August 25, 2008

1. CALL TO ORDER

A regular meeting of the Public Works/CIP & Land Use Committee was called to order on the above date by Chair Patti Bushee at approximately 5:15 p.m. in City Council Chambers, City Hall, 200 Lincoln, Santa Fe, New Mexico

2. ROLL CALL

Roll Call indicated the presence of a quorum as follows:

MEMBER PRESENT:

Councilor Patti Bushee, Chair
Councilor Christopher Calvert
Councilor Miguel Chávez
Councilor Rosemary Romero
Councilor Ronald S. Trujillo

MEMBERS ABSENT:

None.

OTHER COUNCILORS PRESENT:

OTHERS PRESENT:

Mr. Robert Romero, Public Works Director
Ms. Bobbi Mossman, Public Works Staff

NOTE: All items in the Committee packet for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Public Works Department.

3. APPROVAL OF AGENDA

Councilor Chávez moved to approve the agenda as published. Councilor Romero seconded the motion and it passed by unanimous voice vote.

4. APPROVAL OF CONSENT AGENDA

Commissioner Calvert requested discussion of items #11 and #13.

Commissioner Calvert moved to approve the Consent Calendar with items 11 and 13 removed for discussion. Councilor Chávez seconded the motion and it passed by unanimous voice vote.

5. APPROVAL OF MINUTES FROM JULY 28, 2008, PUBLIC WORKS COMMITTEE MEETING

Councilor Romero moved to approve the minutes of July 28, 2008 as submitted. Commissioner Calvert seconded the motion and it passed by unanimous voice vote.

APPROVAL OF MINUTES FROM AUGUST 5, 2008, PUBLIC WORKS COMMITTEE MEETING

Councilor Trujillo moved to approve the minutes of August 5, 2008 as submitted. Commissioner Calvert seconded the motion and it passed by unanimous voice vote.

INFORMATIONAL AGENDA

6. PRESENTATION OF PRELIMINARY AUDIT RESULTS FOR HOMEWISE AND THE SANTA FE COMMUNITY HOUSING TRUST (Kathy McCormick)

Ms. McCormick explained that because the audit was confidential it was in a separate packet. She noted frustration in getting it done. And it took 6 months to get this program audit completed. She received the preliminary on July 7th. Staff asked for further information. Before the Committee now was the complete audit. She added that they had not had time to review them with Homewise or the Santa Fe Community Housing Trust. She agreed to cover the high points and would meet with the agencies later.

She handed out was a printout of a power point (exhibit a)

She said that Mr. Andrew LaBaer and another staff member had compiled the presentation after conducting the interviews. They reviewed the policies and procedures including the reports to the City.

All of this was done to make the programs stronger. It was the first time that the City has managed a database for Affordable Housing. They were looking to determine if they were connected or disconnected

in how they were administering the program.

She went through the power point and made very brief comments on the slides.

She noted that Homewise was in process of converting their data system. The Santa Fe Community Housing Trust already had a database system in place.

Councilor Chávez asked if the database was not consistent for the activity for these two agencies. The sale of these homes was not included in MLS and he wondered how that activity compared with other homes in the area.

Ms. McCormick said most new homes particularly in these subdivisions were not typically listed in MLS. She understood the realtors were working hard to capture all the data in TC. One thing in audit was the marketing.

Councilor Chávez asked if that meant they were tracking the sales of these homes but not of sales of homes that were sold elsewhere.

Ms. McCormick said they tracked home sales to make sure the sales were contract compliant. They were not subject to MLS unless they were handled through a private realtor.

Mr. LaBaer clarified that all that was required was the HUD 1 statement that included all the required information. It reflected the non-amortized capital of the city program. So the amount shown on HUD statement was the full price. He assumed that it would be comparable to other sales. The actual effect on median prices was not studied but it should show the true value of the home.

Councilor Chávez said some homeowners were caught in the middle, having to subsidize in addition to the program for property tax.

Mr. LaBaer said he looked at some of the files associated that had the lower assessment for property tax. That issue was one that would be there in any market when there was a non-amortized equity amount. It was a tough issue. It did help the homeowner. The recordation at the lower amount would show an artificial reduction that did not reflect the real market and would skew the figures.

Ms. McCormick explained that the new statute took into account the City's lien and their share of the equity value. The state law allowed them to do that. It did help to give the homeowner a little break.

Councilor Chávez felt there was a very fine line on it. For some of them that difference in taxes would make a big difference. He asked if it would show increases in taxes.

Ms. McCormick said they had some abatement in taxes last year and the County Assessor was working with staff on it.

Ms. McCormick went to tracking systems and tracked outcomes and said they were interested in how

effective the programs were at targeting the appropriate people.

She said they executed a PSA that was performance based. The agencies were training their staff. The training was standardized and required for the programs. She noted that there was some difference in quality of the materials. At Homewise it was in Spanish and in English.

Ms. McCormick said they were interested in a lot of different information and they hung onto the files to insure there was adequate documentation. Some files were not consistent. Agencies would follow up on the inconsistencies.

She said the recommendations included a check list for file completions. She would instruct them about which protocols to use for things like debt to equity ratios, demonstration of ability to handle higher debt loads. Staff will work with both agencies to help them understand what was needed.

Chair Bushee asked if the City had clear guidelines in place now.

Ms. McCormick said they used the administrative guidelines provided by HUD. There were not clear guidelines on what would be used to verify types of income or to clarify debt ratios. She explained that they did not wait for all of this audit to be final. They have been making the changes on the City side to make the expectations clear.

Chair Bushee said one of the biggest reasons for this program would be thwarted if they were not up front on income verification and debt ratios.

Ms. McCormick said they did establish sales prices based on income levels.

Commissioner Calvert noted that on page 9 of the Homewise part in the middle of page it talked about the ratios. He asked if there was any connection between that kind of figure (about 30%) and resulting defaults, i.e., any defaults from higher than normal ratios.

Mr. LaBaer said both agencies anecdotally were not aware of any defaults resulting from these programs. He clearly asked that question early on. Homewise uses a unique best practice on exceeding the 30% of gross income. What was unique was their "payment shock" analysis - what was the payment shock and what did they do to address that.

Commissioner Calvert saw that and felt it was a good recommendation. But the following paragraph on page 9 said they were using an automated underwriting system that did not distinguish between the down payment being their cash of the City's equity.

Mr. LaBaer agreed that the automated system took no note of that; they could set someone up for failure. It should never be forgotten but their procedure was quite sound.

He answered to Chair Bushee on question of verification methodology for documenting income. There was not consistency regarding the documents they gathered. Certain files might have shown 3 years of tax

returns but not necessarily the most recent returns. So some of it was stale. The last three years; the last 3 pay stubs should be used. That was a concern.

Chair Bushee asked if the income was too low for payback.

Mr. LaBaer admitted that was a tough question. There was no consistent trend through the portfolios. Each file had space for staff comments and a watch list for them.

Mr. LaBaer said there was some ambiguity regarding source of funds. He couldn't always tell where the down payment came from. There should be more clarity on it. He agreed that it was a need based consideration but there was some ambiguity in the files.

Chair Bushee asked about protection for the City and if the City was on top of it.

Mr. LaBaer said not all files had documentation of loss payee in capitalization - Even if forgiven, it should be documented. The City's interest needed to be protected and needed recorded documents to protect that lien. The protection that the City would be properly notified and how would the City react to potential foreclosing was ambiguous in the documents. The City needed to have first right of refusal as a subordinate lien holder so they could move in to subvert the foreclosure and do its own foreclosure.

Chair Bushee asked if there was a particular loss payment requirement.

Mr. LaBaer said that was the Achilles Heel vulnerability in this program. These were proactive recommendations to avoid future losses. He didn't find any losses evident now.

Chair Bushee asked what the follow up was. Some of these things seemed hard to enforce but having staff on the board seemed to be a conflict of interest.

Ms. McCormick clarified that regarding protection for the City, they have had in place for 1½ years now a new mechanism for insuring the City's interest in those loans. She believed they corrected that problem. With refinance, they required new documentation and the City's lien would come to the surface.

She said her next step was to sit with the Chair and CEO of each agency and review the audit findings and recommendations.

Her second handout showed best practices for staff follow up.

She said the PSAs would come back next week and would clarify what was required.

Lastly, she recommended that someone from the City be on the board of the non-profit. It was becoming a more common practice. It was seen lots in housing projects. Boulder has a City Councilor on the board there to facilitate communication. That was a recommendation based on other communities.

Chair Bushee commented on the counseling offered. She felt if they were giving out public dollars for training and counseling, they should be prepared, trained and ready or the City should not fund it in the

first place.

Ms. McCormick said they did foreclosure prevention as intervention last year.

Chair Bushee countered that no one was trained and it was still CDBG money and she would like to have some follow-up on what was put in place and to address this review with the agencies.

Ms. McCormick said their database was in good shape now and they would be submitting quarterly reports. She agreed to put in the specific staff assigned to them.

Commissioner Calvert asked that in the first part of the recommendations, it needed to mention both agencies, not a generic term. Regarding the post-closing classes, he noted they were not in best practices or in the recommendations.

On page 14 it said Homewise did not provide a requested report on the client database. He asked how recent this requirement was.

Ms. McCormick said it was part of the new PSA (ten months old) and she had received it in an Excel spreadsheet. She confirmed they had now received reports in the right format.

Commissioner Calvert referred to the Santa Fe Housing Trust audit, page 5 regarding testing. Testing and evaluation of training might be one of those best practices. Also the foreclosure prevention training was only mentioned in the Santa Fe Community Housing Trust audit.

Ms. McCormick said SFCHT asked for it. She was trying to help address it when it looked like people would be getting in trouble (losing a job, etc) into an integrated program.

Commissioner Calvert felt it was much easier to work with people while they still had a home.

Ms. McCormick agreed.

Councilor Chávez said in some cases at closing there may or may not be a punch list. That was a bad reflection on the City and the organizations not to have that punch list. They need to know what was on a punch list, what was done or undone, and have a timeline for it. People were reasonable if they knew the schedule.

Ms. McCormick agreed the punch list would be helpful at closing. Then they needed to circle back to make sure all of it was done.

Councilor Chávez said they needed to capture as much as possible for the next eligible family.

Councilor Romero thought it looked like there was improvement. There was always room for more but it was refreshing and it appeared that the recommendations would address those inconsistencies.

Ms. McCormick said she would bring back results of these recommendations when she presented the new contracts.

CONSENT AGENDA

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DISCUSSION

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This item was removed from the consent calendar for discussion.

Commissioner Calvert asked Mr. Gurulé if they were setting themselves up for a problem here because the low bid was about half of the other two. He asked if the City followed up and tracked these things and determined things like how long their last job with the City lasted.

Mr. Gurulé said the City resurfaced this location about ten years ago and the product was only a half inch thick and it cracked. The original contractor didn't do well. So this bid required the paving to be two inches thick.

Commissioner Calvert asked if the City recovered anything from that or would get compensated.

Mr. Gurulé said they did not.

Mr. Romero clarified that there was no remedy in that contract and the work was contracted by the developer.

Commissioner Calvert understood since it was ten years ago but they needed to make sure those provisions would be in the new contract.

Mr. Romero agreed that they would go through everything before accepting it. If it was substandard, the City would make them rip it out and redo it correctly. He was pretty confident it was a good bid and the contractor was reputable. They would first pulverize the existing asphalt.

Chair Bushee asked if there was something they can do to prevent a bad contractor from rebidding.

Mr. Romero said that would be difficult. It was probably the developer's responsibility more than the City's. There was some language now about binding them in it and the City had the authority to pursue them.

Councilor Chávez asked if their bid didn't meet the specs, if the City would go for rebidding.

Mr. Romero said change orders would be done if the City changed the specs - e.g. make the trail longer. The State kept track of their contracts for the last five years. The City would look at that and also at recent similar bids. It depended on the project and possible change owners. This one was pretty simple. There were check dams in it but it was simple overall.

Councilor Chávez asked if they were using an existing surface.

Mr. Romero agreed. It would be pulverized and used in the base.

Councilor Chávez asked Mr. Romero if he felt the quoted rates were reasonable.

Mr. Romero said the analysis was done by Anne McLaughlin. The intent was to take out the existing trail and possibly rebid it. He thought the method the City proposed would be a lot cheaper.

Councilor Chávez and Mr. Romero discussed the breakout of costs. Mr. Romero noted that changes in gas prices affected the amount of the bids.

Councilor Trujillo asked if testing was done in-house.

Mr. Romero said no. The contractor had to hire the tester for the inspection.

Councilor Romero noted that Advantage was a Santa Fe based company which might account for the lower cost. If Mr. Romero was comfortable with it, she would be also.

Mr. Romero agreed to review all the specs with the contractor. This was to happen rather quickly.

Councilor Romero said she had seen change orders that made what looked like a good deal not so great.

Commissioner Calvert thought they should look into the limit on the contractor standing behind their work.

Mr. Romero agreed to look into it.

Commissioner Calvert moved to approve the request with directions to staff. Councilor Chávez seconded the motion and it passed by unanimous voice vote.

13. CIP PROJECT #423A - MAGER'S FIELD PARK PHASE 2 IMPROVEMENTS

- **REQUEST FOR APPROVAL OF CHANGE ORDER NO. 4 TO THE AGREEMENT BETWEEN OWNER AND CONTRACTOR, ACCENT LANDSCAPING, IN THE AMOUNT OF \$210,064.06 (BEN GURULÉ)**

This item was removed from the Consent Calendar for discussion.

Chair Bushee asked about why the change order was needed.

Mr. Romero went to page 5 and explained that they had to add in the updates to keep the warranty in place. Staff worked with them to drop the prices down quite a bit. They wanted to do the trail around the back; for the most part it was an extension of the existing trail. He was still there working so staff wanted the same guy to do it. He found this to be appropriate with the purchasing manual and it was at the same unit price.

Chair Bushee said regarding the size and the scope that they didn't want to subvert the process.

Commissioner Calvert mentioned a change order on the civic center where the reason was that the architect left it off. He asked who was liable for that.

Mr. Romero said there was a problem with the HVAC and the contractor would pay for it.

Commissioner Calvert moved to approve the request. Councilor Romero seconded the motion and it passed by unanimous voice vote.

19. CIP PROJECT #536 – ZONA DEL SOL – NEW ADDITION

- **REQUEST FOR APPROVAL OF BID NO. 09/02/B AND THE AGREEMENT BETWEEN OWNER AND LOCKWOOD CONSTRUCTION COMPANY IN THE AMOUNT OF \$888,325.63 INCLUSIVE OF NMGRT (CHIP LILIENTHAL)**

Mr. Martin Valdez reported on this project. It was a building that eventually would be occupied by Girls, Inc. A person from Girl's Inc. Said they had money for the base bid for 341 sq. ft. to the existing building that would provide 2 classrooms, a greenhouse and a kitchen and some office space on the second floor. What they hoped to do was about 1,200 square feet but didn't have the money for that. He said it would be a little over \$200/sq ft. It includes sidewalk and utilities. The new project connects to the existing building. They were actively seeking funds so it could be done at the same time. When done they would have about

7,000 square feet.

Chair Bushee asked Mr. Romero if there was anything left in the CIP fund.

Mr. Romero said there was a list of projects waiting.

Commissioner Calvert moved to approve the request. Councilor Trujillo seconded the motion and it passed by unanimous voice vote.

20. REQUEST FOR APPROVAL OF A RESOLUTION AGREEING TO REJOIN THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT AS A VOTING MEMBER OF THE DISTRICT AND TO RE-APPOINT A BOARD MEMBER TO THE BOARD OF DIRECTORS (MAYOR COSS) (COUNCILOR CHÁVEZ) (JON BULTHUIS)

Mr. Bulthuis reported that the Finance Committee was awaiting the JPA from RPA in final draft.

Chair Bushee said it had to go to the RPA and this was a place for commenting.

Councilor Chávez said he voted against delaying this at Finance. His motion died for lack of a second. He still believed it was better to have a regional district. The discussion was that it would give the RPA a chance to try to evolve to where they would have a role. He felt the City should be with NCRTD as it made more sense. They got support from the other counties. He thought the RPA had run its course and done what it was originally intended to do. The place for this discussion was with the NCRTD.

Councilor Romero said this was a resolution following the path of NCRTD. She thought this was the direction they needed to go. They might consider having the representative on the NCRTD come from the RPA which was a representative body. They were in a new phase of the relationship.

Councilor Chávez noted that the MPO was another organization that dealt with traffic and routes. So that was a possible pass-through to the NCRTD. If the Committee wanted another pass through the RPA was not the only one. He suggested the MPO would be a possible place for pass through. He noted that the JPA keeps changing but he didn't think it had to be the RPA.

Councilor Romero suggested that the members on RPA or MPO could be chosen. Given the changes in annexation, regional energy, transportation and solid waste issues to change the resolution that the Mayor could send representation either from RPA or MPO to that organization.

Chair Bushee reminded them that the RPA used to have a TPB but gave up the planning of transportation. It was a larger body with 4 councilors and 4 commissioners.

Councilor Trujillo just wanted to make sure that the City was recognized in it. The resolution now only mentioned the County.

Councilor Chávez said in the past they had a two-step with a separate resolution for appointments. The first step was to let them know the City was serious. He urged them to build this partnership that they had worked on for the last five years. There doesn't seem to be a place for the reappointments.

Ms. Jeanne Price said they could just tack on a sentence at the end of the resolved on the end of line 21.

Councilor Chávez suggested they could say the Mayor would reappoint a member to the Board from the RPA of MPO.

Commissioner Calvert wanted to make sure that in this motion they would include the two amendments in our packet. He also suggested a slight change to line 18 "including all applicable NCRTD overhead administrative costs related to the connecting services to the Rail Runner."

Chair Bushee said there was another change proposed.

Jon said the other was to reference the JPA in the resolution.

Councilor Romero moved to approve the resolution with the two amendments and also that the representation come from RPA and MPO and Commissioner Calvert's amendment.

Councilor Chávez reminded them the tax election has not passed yet. After it was passed, they could start talking about who spends money where. He asked Mr. Bulthuis to address that from a staff perspective.

Mr. Bulthuis said the tax revenues had to go before the voters and they were not sure that it would pass. There has been discussion over the past five months that 86% of those tax funds would come back to the City to be spent as the City deemed appropriate. The remaining 14% had less discussion but it was about tightening up the oversight of RPA over these funds.

Commissioner Calvert clarified that Paragraph C talked about that 14% that it was to be used by NCRTD to provide connecting service from the region to the Rail Runner. I wanted to make sure that the administrative services in parentheses there were directly related to the service to the Rail Runner.

Councilor Chávez said that the 86/14 split was just a number that Commissioner Sullivan pulled out of the hat. They were still hypothetical and could change depending on the needs and the services provided. This was a snapshot in time.

Mr. Bulthuis said at this point, the agreement reached was at the 86/14 split and that resolution was passed by the Board. It could change in the future but right now that was the split.

Councilor Romero moved to recommend approval of the resolution with the two written amendments in the packets, the amendment by Councilor Romero that the representative be

chosen from the RPA or MPO, and the amendment by Councilor Calvert that the administrative overhead expenses be related to services connecting to the Rail Runner and forwarded on to Finance Committee. Commissioner Calvert seconded the motion and it passed by unanimous voice vote.

21. REQUEST FOR APPROVAL OF A RESOLUTION ENDORSING AND ADOPTING THE WATER DIVISION 10 YEAR FINANCIAL PLAN (COUNCILORS WURZBURGER, CALVERT AND ROMERO) (GARY MARTÍNEZ)

Mr. Gary Martínez presented and said there were two resolutions. He asked that their consultant, Mr. Fernando Aranda who gave a five-minute visual presentation.

Mr. Aranda went through the procedures used to derive the recommendation for water increases. They used a computer model to arrive at the best conclusions that incorporated operating and capital needs for improvement. The CIP was \$182 million for the Buckman Diversion Project. He mentioned that inflation needed to be included in the forecast. His recommendation was for a 6.99% annual rate increase of which 3.5% was for inflation. It would be levelized from 2009 to 2015. He briefly reviewed the assumptions.

Chair Bushee asked about the CIP amount.

Mr. Martínez said the CIP was in table 2

Chair Bushee said she didn't have table 2

Mr. Aranda said it was in Table 1.

Mr. Martínez said the recommended 6.99% per year would include everything they did on a daily basis. He acknowledged that they might have to change the assumptions down the road but felt this was what they needed at present. They got the numbers from past financial records. It was necessary for stability to go to the bond market and be able to get the bonds. He said this would be slated for three public hearings.

Councilor Romero thanked him. This was still in the beginning stages and due for public hearings and she thought it was important for the voters to cast votes on since it would affect 35,000 users in Santa Fe.

Mr. Martínez agreed.

Councilor Romero asked if the public meetings were well noticed.

Mr. Martínez said they were. The next was the Finance Committee on Sept 2nd and to PUC on 17th and to Council for publishing on the 24th. The final one would be on October 9th. The effective date would be January 1st.

Councilor Romero moved to approve the request. Commissioner Calvert seconded the motion.

Councilor Trujillo noted that it would affect the whole community and would be a fifty percent increase in seven years. He hoped it would work.

Mr. Martínez said they had it ready for the web site.

Councilor Romero thought it was a challenge to figure out who the needy people were that needed help (she was on the PNM committee to deal with it). But the City also needed to be fiscally responsible. It was a reality. For people on fixed incomes, it would require careful management.

Chair Bushee recalled that they had debated this since the City took over the water company. She understood the need to complete the Buckman Diversion Project but for new water, it was just a wash. She understood but that didn't mean anyone liked it. It has been tough compared with Albuquerque, whose rates were so low.

Mr. Martínez said he understood and it was not pleasant to come and say the rates had to increase. He said there were many others that were increasing their rates 5 to 15%.

Councilor Chávez said that the summary Mr. Martínez gave (about reservoirs) would be helpful to present at the public sessions. The message was that the City had depleted its domestic water supply and was now dependent upon the imported water from that diversion project and it was very expensive. The City needed to protect its domestic water supply and the imported water would fluctuate in future times, depending on the cycle of drought. That needed to be part of the forecast and the plan.

Chair Bushee said the question that remained was who would pay for it. She thought they needed to reframe that debate.

The motion passed by unanimous voice vote.

22. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING CHAPTER 25 SFCC 1987 EXHIBIT B, WATER RATE SCHEDULE 1; INCREASING THE MONTHLY VOLUME CHARGE FOR RESIDENTIAL, MULTI-FAMILY AND COMMERCIAL CUSTOMERS OF THE CITY'S WATER SYSTEM (COUNCILORS WURZBURGER, CALVERT AND ROMERO) (GARY MARTÍNEZ)

Councilor Chávez moved to approve the request. Councilor Romero seconded the motion.

Commissioner Calvert said he was not a sponsor of this ordinance amendment. He wanted to see at least that third that was for those who didn't care how much water they used. He wasn't sure on the commercial side but some residential users used what they wanted to use, no matter what.

Mr. Martínez said there had been comments about it at public meetings. If they created a third tier, he was not sure how it would affect the current rate structure. He related how they dealt with small commercial

large users last year. There was already a penalty on the second tier. He agreed they could study a third tier. The penalty went from 25 cents to over a dollar in the second tier. So they did have to pay for it.

Commissioner Calvert said the users who didn't care about conservation should pay for it.

Councilor Chávez thought they should focus on both residential and commercial for discouraging higher use and a third tier should apply to both residential and commercial.

Mr. Martínez reminded them that the commercial users had a bigger meter.

The motion passed by unanimous voice vote.

23. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING CHAPTER 21 SFCC 1987 REGARDING SOLID WASTE REQUIREMENTS AND ESTABLISHING SPECIAL CHARGES FOR SUCH SERVICES AS ADDITIONAL CONTAINER AND BAG DISPOSAL, DISPOSAL OF LARGE ITEMS, AND RECYCLABLE/NON-RECYCLABLE LOADS (COUNCILOR TRUJILLO) (BILL DEGRANDE)

Councilor Romero noted that Parade Magazine showed the nation was going the same direction as they were talking about here.

Bill DeGrande presented the request. He identified five different financial impacts in this resolution

1. Commercial Recycling rates would be reduced from a rate from \$79.42 for 3rd dumpster to \$39.71.
2. Commercial /Residential Roll-off Rental Fees. \$171.00
3. Large Item Pick Up - increase from \$17.75 to \$25.75 for the service and the cost of disposal (tipping fee).
4. Change Out Fee would be \$25 after the first container change out.
5. Residential PAYT - \$8 /month for the second 96 gallon cart or \$6 for the second 64 gallon cart or bag tags at \$1.50/bag.

He clarified that they would still waive refuse and sewer fees for low income residents and recycling was free. More recycling would reduce refuse costs.

Councilor Trujillo asked how many roll offs were being tied up monthly.

Mr. DeGrande said they had three and one has been tied up for some time now.

Councilor Trujillo asked what size of bag for the bag tags.

Mr. DeGrande said it was for 33 gallon bags. The ties were bought at the water office and the resident had to supply their own bag.

Councilor Chávez thought this was justified to keep the quality up. He asked if they had a method to identify the low-income folks.

Mr. DeGrande said for the elderly and handicapped they just needed to supply a doctor's statement and the driver would get their cart from their home. The low income residents were determined by the utility billing. Solid Waste didn't make the determination.

Chair Bushee noted this was a new policy and one the Council had been trying to get for a long time. He felt there was adequate justification.

Mr. DeGrande said the rates would be considered at a meeting on 28th by the Joint Powers Board and he didn't know if they would adopt the increase.

Chair Bushee felt they had been unfairly treating the elderly. She didn't think that would increase arroyo dumping. She wished him success.

Councilor Chávez asked if they would continue distributing bags to the elderly and infirm.

Mr. DeGrande agreed.

Councilor Chávez asked if the commercial fee reduction meant in the future they would get more efficient and have more recyclables or that the rate might go up in the future.

Mr. DeGrande saw more reductions, not increases in the future. They felt if they reduced rates, they would have more customers. And that has happened. The rates with SWMA have also gone down.

Councilor Trujillo asked how they defined "elderly." He had people asking me.

Mr. DeGrande said elderly was a misnomer as the service was for anyone who could not move the carts and didn't depend on their age.

Commissioner Calvert asked to be added as a sponsor for this. Chair Bushee and Councilor Romero asked that they be listed as sponsors also.

Councilor Romero was excited about the possibilities of reducing what goes in the landfill.

Councilor Trujillo moved to approve the request. Commissioner Calvert seconded the motion. The motion passed by unanimous voice vote.

24. 2010 – 2014 INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)

- **REVIEW OF PROCESS**
- **REQUEST FOR APPROVAL OF PLAN**
- **REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP) (COUNCILOR BUSHEE) (ROBERT ROMERO)**

Mr. Romero presented the request. He said they did this every year. If you look closely, it showed the funding sources. He went briefly through the table and showed the thick stack that detailed the report.

Chair Bushee said they found that it was not a fruitful process. She had hoped that they could say what they want to see. The CIP bonds had a winnowing process that went to the public and then would come back. She said the legislature wanted to know what their priorities were. She said it should be meaningful to what they did.

Mr. Romero said there might be a better way. He offered to do a separate spreadsheet for each project and just make comments. It might be too late for this year but he could definitely for next year. There might be a way for the Committee to see what they were. And they could also have a public process.

Chair Bushee felt with the comments, they could get a more meaningful result.

Councilor Romero agreed.

Commissioner Calvert moved to approve the ICIP. Councilor Romero seconded the motion and it passed by unanimous voice vote.

Commissioner Calvert moved to approve the resolution. Councilor Romero seconded the motion and it passed by unanimous voice vote.

25. MATTERS FROM STAFF

None.

26. MATTERS FROM THE COMMITTEE

Councilor Romero thanked Mr. Romero for the press release about weeds. People were paying more attention to the weeds.

Chair Bushee said she got a complaint from a woman who said her flowers had been mowed down.

Mr. Romero clarified that the only place the City mowed down weeds were major arterials.

Chair Bushee asked when they would hear a parks update.

Mr. Romero said they might do a quarterly update and highlight the projects coming up.

Councilor Chávez was glad to see the notice on weeds and especially on Chinese Elm. He suggested they take a tour with photos especially on uprooting the Chinese Elms.

Councilor Trujillo said there were lots of weeds by Kearny and on the same path there the arroyo was digging into one section where it needed rip rap. He said it was on Consuelo.

Mr. Romero agreed to check it out.

27. NEXT MEETING: MONDAY, SEPTEMBER 8, 2008

28. ADJOURNMENT

Having completed the agenda and with no further business to come before the Committee, the meeting was adjourned at 8:10 p.m.

Approved by:

Patti J. Bushee, Chair

Submitted by:


Carl Boaz, Stenographer