



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
SEPTEMBER 6, 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:

CITY CLERK'S OFFICE

DATE 9/1/14 TIME 10:30 am

SERVED BY Yolanda Green

RECEIVED BY [Signature]

Regular Finance Committee Meeting – August 1, 2016
Regular Finance Committee Meeting – August 15, 2016

CONSENT AGENDA

6. Request for Approval of Professional Services Agreement in the Amount of \$100,000 – Services at the Santa Fe Railyard Park; the Santa Fe Railyard Park Conservancy. (Robert Siqueiros)
7. Request for Approval of Master Services Agreement – Architectural and Engineering Services for Santa Fe Municipal Airport Grant Projects (RFQ #16/14/Q); KSA Engineering, Inc. (Cameron Humphres)
8. Request for Approval of Procurement Under Cooperative Price Agreement in the Amount of \$77,831 – Computer Equipment Replacement for Fire Department Apparatus and Vehicles; Grants & Technology Veterans, LLC. (Jan Snyder)
9. Request for Approval of Professional Services Agreement in the Amount of \$214,550 – Employee Benefits Consulting (RFP #16/41/P) for July 1, 2016 through June 30, 2020; AON Risk Solutions. (Vicki Gage)
10. Request for Approval of Sole Source Procurement and Professional Services Agreement in the Amount of \$70,000 – FY 2016/17 for Drug and DUI Court Programs for Santa Fe County Through Santa Fe Municipal Court; Millennium Treatment Services, Inc. (Jacqueline Baca)
11. Request for Approval of Amendment No. 2 to Professional Services Agreement in the Amount of \$59,180 – Visitor Marketing Research and Analysis Services for Santa Fe Tourism; DestiMetrics, LLC. (Randy Randall)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
SEPTEMBER 6, 2016 – 5:00 P.M.

12. Request for Approval of a Resolution Requesting the City Manager to Direct Staff to Develop a Plan the City Can Implement to Improve the Appearance of Medians along City Roadways. (Councilors Trujillo and Harris) (Robert Carter and Richard Thompson)

Committee Review:

Public Works Committee (approved)	08/08/16
City Business and Quality of Life Committee (approved)	08/10/16
City Council (scheduled)	09/14/16

Fiscal Impact – No

13. Request for Approval of a Resolution Directing the City Manager to Collaborate with the Police Department and Finance Department to Develop a Plan, Including Fiscal Impact, for Retaining Police Officers Currently Serving with the City of Santa Fe Police Department. (Councilor Trujillo) (Patrick Gallagher)

Committee Review:

Public Safety Committee (approved)	08/16/16
City Council (scheduled)	09/14/16

Fiscal Impact – No

14. Request for Approval of a Resolution Calling on the New Mexico Legislature to Reduce Gun Violence by Enacting Legislation Requiring Comprehensive Background Checks for Firearm Sales and Strengthening the Criminal Background Check System. (Councilors Harris, Lindell and Villarreal, Mayor Gonzales, Councilors Rivera, Ives, Dominguez, Trujillo and Maestas) (Jesse Guillen)

Committee Review:

Public Safety Committee (approved)	08/16/16
City Council (scheduled)	09/14/16

Fiscal Impact – No

15. Request for Approval of a Resolution Directing the City Manager to have Public Utilities Staff Identify and Apply for Federal and State Funding Sources for Water, Wastewater and Other Water Related Projects. (Councilors Ives and Dominguez) (Alan Hook)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
SEPTEMBER 6, 2016 – 5:00 P.M.

Committee Review:

Public Utilities Committee (scheduled)

09/07/16

City Council (scheduled)

09/14/16

Fiscal Impact – No

END OF CONSENT AGENDA

DISCUSSION

Exempt Procurements (as allowed by Procurement Manual and State Law)

16. Request for Approval of Exempt Procurement in the Amount Above the City Manager's Threshold of \$50,000 – Technical and Hosting Fees for Santa Fe Transit Operations; RouteMatch Software, Inc. (Thomas Martinez)
17. Request for Approval of Exempt Procurement and Agreement in an Amount Above the City Manager's Threshold of \$50,000 – City-Wide Advertising Services; The Santa Fe New Mexican. (Robert Rodarte)
18. Request for Approval of Exempt Procurement and Procurement Under State and Federal Price Agreements and in an Amount Above City Manager's Threshold of \$50,000 – City-Wide Hardware, Software and Support Services for ITT Department; Various Vendors. (David Kulb)
19. Presentation and Discussion of Internal Audit Department's Annual Report. (Liza Kerr)
20. Presentation and Discussion of Troy & Banks Utility and Telecommunication Consultants Contingency Audit of City Utilities. (Liza Kerr)
21. Presentation and Discussion of Summary Report on Fraud, Waste and Abuse Hotline. (Liza Kerr and City Management Hotline Representatives)
22. MATTERS FROM THE COMMITTEE
23. ADJOURN

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

**SUMMARY INDEX
FINANCE COMMITTEE MEETING
Tuesday, September 6, 2016**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER & ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
<u>APPROVAL OF MINUTES</u>		
REGULAR FINANCE COMMITTEE MEETING AUGUST 1, 2016	Approved	3
REGULAR FINANCE COMMITTEE MEETING AUGUST 15, 2016	Approved	3
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF MASTER SERVICES AGREEMENT – AGRICULTURAL AND ENGINEERING SERVICES FOR SANTA FE MUNICIPAL AIRPORT GRANT PROJECTS (RFQ #16/14/Q); KSA ENGINEERING, INC.	Approved w/direction to staff	3-5
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$59,180 – VISITOR MARKETING RESEARCH AND ANALYSIS SERVICES FOR SANTA FE TOURISM; DESTIMETRICS, LLC	Approved	5-6
REQUEST FOR APPROVAL OF A RESOLUTION REQUESTING THE CITY MANAGER TO DIRECT STAFF TO DEVELOP A PLAN THE CITY CAN IMPLEMENT TO IMPROVE THE APPEARANCE OF MEDIANS ALONG CITY ROADWAYS	Approved w/direction	5-9

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO COLLABORATE WITH THE POLICE DEPARTMENT AND FINANCE DEPARTMENT TO DEVELOP A PLAN, INCLUDING FISCAL IMPACT, FOR RETAINING POLICE OFFICERS CURRENTLY SERVING WITH THE CITY OF SANTA FE POLICE DEPARTMENT	Approved w/direction	9-15
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
<i>Exempt Procurements as allowed by Procurement Manual and State Law</i>		
REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT IN THE AMOUNT ABOVE THE CITY MANAGER'S THRESHOLD OF \$50,000 – TECHNICAL AND HOSTING FEES FOR SANTA FE TRANSIT OPERATIONS; ROUTEMATCH SOFTWARE, INC.	Approved	16
REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND AGREEMENT IN AN AMOUNT ABOVE THE CITY MANAGER'S THRESHOLD OF \$50,000 – CITY WIDE ADVERTISING SERVICES; THE SANTA FE NEW MEXICAN	Approved	17
REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND PROCUREMENT UNDER STATE AND FEDERAL PRICE AGREEMENTS AND IN AN AMOUNT ABOVE CITY MANAGER'S THRESHOLD OF \$50,000 – CITY-WIDE HARDWARE, SOFTWARE AND SUPPORT SERVICES FOR ITT DEPARTMENT; VARIOUS VENDORS	Approved	17
PRESENTATION AND DISCUSSION OF INTERNAL AUDIT DEPARTMENT'S ANNUAL REPORT	Approved Report [amended]	18-21

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
PRESENTATION AND DISCUSSION OF TROY & BANKS UTILITY AND TELECOMMUNICATION CONSULTANTS CONTINGENCY AUDIT OF CITY UTILITIES	Information/discussion	21
PRESENTATION AND DISCUSSION OF SUMMARY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE	Information/discussion	21-23
MATTERS FROM THE COMMITTEE	Information/discussion	24-24
ADJOURN		25

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Tuesday, September 6, 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 Tuesday, September 6, 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 Signe I. Lindell
Councilor Renee Villarreal

OTHER COUNCILORS ATTENDING:

Councilor Ronald S. Trujillo

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

MOTION: Councilor Ives moved, seconded by Councilor Lindell, to approve the agenda, as presented.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

6. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$100,000 – SERVICES AT THE SANTA FE RAILYARD PARK; THE SANTA FE RAILYARD PARK CONSERVANCY. (ROBERT SIQUEIROS)**
7. ***[Removed for discussion by Councilor Harris]***
8. **REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT IN THE AMOUNT OF \$77,831 – COMPUTER EQUIPMENT REPLACEMENT FOR FIRE DEPARTMENT APPARATUS AND VEHICLES; GRANTS & TECHNOLOGY VETERANS, LLC. (JAN SNYDER)**
9. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$214,550 – EMPLOYEE BENEFITS CONSULTING (RFP #16/41/P) FOR JULY 1, 2016 THROUGH JUNE 30, 2020; AON RISK SOLUTIONS. (VICKI GAGE)**
10. **REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT O \$70,000 – FY 2016/17 FOR DRUG AND DUI COURT PROGRAMS FOR SANTA FE COUNTY THROUGH SANTA FE MUNICIPAL COURT; MILLENNIUM TREATMENT SERVICES, INC. (JACQUELINE BACA)**
11. ***[Removed for discussion by Councilor Villarreal]***
12. ***[Removed for discussion by Chair Dominguez]***
13. ***[Removed for discussion by Chair Dominguez]***

14. REQUEST FOR APPROVAL OF A RESOLUTION CALLING ON THE NEW MEXICO LEGISLATURE TO REDUCE GUN VIOLENCE BY ENACTING LEGISLATION REQUIRING COMPREHENSIVE BACKGROUND CHECKS FOR FIREARM SALES AND STRENGTHENING THE CRIMINAL BACKGROUND CHECK SYSTEM. (COUNCILORS HARRIS, LINDELL AND VILLARREAL, MAYOR GONZALES, COUNCILORS RIVERA, IVES, DOMINGUEZ, TRUJILLO AND MAESTAS). (JESSE GUILLEN) Committee Review: Public Safety Committee (approved) 08/16/16; and City Council (scheduled) 09/14/16. Fiscal Impact – No.
15. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO HAVE PUBLIC UTILITIES STAFF IDENTIFY AND APPLY FOR FEDERAL AND STATE FUNDING SOURCES FOR WATER, WASTEWATER AND OTHER WATER RELATED PROJECTS. (COUNCILORS IVES AND DOMINGUEZ). (ALAN HOOK) Committee Review: Public Utilities Committee (scheduled) 09/07/16; and City Council (scheduled) 09/14/16. Fiscal Impact – No.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – AUGUST 1, 2016.
REGULAR FINANCE COMMITTEE MEETING – AUGUST 15, 2016.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve the minutes of the Regular Finance Committee meeting of August 1, 2016, as presented.

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

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve the minutes of the Regular Finance Committee meeting of August 15, 2016, as presented.

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

CONSENT CALENDAR DISCUSSION

7. REQUEST FOR APPROVAL OF MASTER SERVICES AGREEMENT – AGRICULTURAL AND ENGINEERING SERVICES FOR SANTA FE MUNICIPAL AIRPORT GRANT PROJECTS (RFQ #16/14/Q); KSA ENGINEERING, INC. (CAMERON HUMPHRES)

Councilor Harris said he visited the Airport this afternoon and visited with Mr. Humphres talking about the airport and this contract in particular. He asked Mr. Humphres to provide background on this contract, which doesn't indicate the amount, and the reason KSA was chosen and what they can do for us.

Cameron Humphres, Director, Airport Division, described the process of selection. Please see Mr. Humphres' Memorandum of August 18, 2016, to the Public Works Committee, which is in the Committee packet, for specifics of this presentation.

Mr. Humphres noted that the firm chosen "hit it out of the park," in terms of its presentation, set of qualifications and the interview. He said although the firm hasn't worked specifically for the Airport, they have worked for airports across New Mexico, Texas and Louisiana. He said the firm has a very good insight into the City airports and some very innovative ideas of how to proceed with the Capital Improvement Plan. He said they checked with airports for which KSA has provided services, noting the committee members were very happy with the quality of services KSA can bring to the table.

Mr. Humphres said the majority of the funds that they will be using at the Airport are through the FAA, and the reason they use this process for the Capital Improvement funds. He said this is a master services agreement, but doesn't commit the City at all financially. It establishes the terms and conditions by which KSA and the City will agree on any future projects they would enter into. He said when the City wants to move into a project, a Task Order is created, so the master services agreement sets up the ability to issue Task Orders. The Task Orders will meet the requirements of City procurement action, and if it is over \$50,000 it will come back to the committees and the City Council for approval, noting it is on a purely project basis. He said for each project an independent fee evaluation will be done to assure the City is getting good value for the money. He said this will make it a little easier for them to bring forward Task Orders to this Committee and the Council in the future.

The Committee commented and asked questions as follows:

Councilor Harris said this is primarily an engineering contract, associated with runway improvements, as well as an architectural element dealing with the terminal which has historic value which KSA understands and brought a local team member to help address a solution.

Mr. Humphres provided a brief description, noting KSA is partnering with Lloyd & Associates, and they fully recognize the agreements regarding any modification of the historic terminal.

Councilor Ives said in looking at Exhibit G, dealing with insurance, the limits seem very low, and asked the reasons for that, commenting airports have the potential for greater liability. He said however, given the nature of the work KSA is doing that may be the case, and there are no task orders included in the packet.

Mr. Humphres said he had the same question in working on the agreement, and he contacted the City Risk Manager, and "that's what they in turn sent back to me saying that these are the standard requirements for these kinds of services."

Councilor Ives said he is missing Exhibits L and M in his packet, and he wants to look at the FAA contract provisions, and asked Mr. Humphres to send a copy of Exhibit L to him, so he can be sure he understands that.

Mr. Humphres said he can do that, noting the FAA provisions actually are in the Master Services Agreement, labeled as FAA provisions. He said it will be an attachment to the Task Order when it is issued.

Councilor Ives said then he will look in the Master Services Agreement.

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

DISCUSSION: Chair Dominguez asked Councilor Harris if he, or other members of the Council need additional information before this goes to Council.

Councilor Harris said no.

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

11. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$59,180 – VISITOR MARKETING RESEARCH AND ANALYSIS SERVICES FOR SANTA FE TOURISM; DESTIMETRICS, LLC. (RANDY GRISSOM)

Councilor Villarreal asked how these services are different from the visitor marketing research, how it relates to advertising and how it is different from contracts we approved last month.

Randy Randall, Director, Tourism Santa Fe Department, said this contract has no advertising or marketing component. It is a different type of service. He said we previously hired this firm to do a Visitor History for the profile of the 2015 visitor to Santa Fe. He said in that process they determined this company could provide ongoing visitor research as well as, with cooperation of the hotels in Santa Fe, look out for a 6 month period, on a rolling monthly basis to determine arrival and departure dates of reservations, to determine what bookings were City-wide in the future. He said once we have more than a one-year history, we can do some comparatives and forecasting of future occupancies. He said this will allow City to focus its marketing to fill any gaps, and for the hotels to do comparisons and make better decisions.

Councilor Villarreal said she thought successful hoteliers do forecasting on their own.

Mr. Randall said yes, but they don't have a City-wide forecast with which to compare it to identify strong spots and they don't know about other hotels' experience. He said this will provide no particular hotel information, but allows them to make better decisions when they see a gap, on how to fill the gap.

Councilor Villarreal said she does see this as related to marketing, although it doesn't fund marketing directly.

Mr. Randall said it allows them to make better marketing and advertising decisions.

Councilor Villarreal said the original contract was \$30,000 in 2015, and asked when the \$14,700 was amended into the contract.

Mr. Randall said that also was done in 2015/2016, in the last fiscal year.

Councilor Villarreal said so then the \$59,000 is a new contract for 2016/2017, and Mr. Randall said that is correct.

Councilor Villarreal said it seems we're spending money on the same things that seem to have the same goal in mind, and it helps her to have the additional information.

Councilor Trujillo asked if this survey will go back in time, to 2015. He asked if we know how many visitors came to Santa Fe because of the Bachelor. He asked how we gauge the return for the \$50,000 we spent, commenting we have never gotten answer to that question. He wants to know what marketing strategies work and don't work, and asked if this contract can answer those questions.

Mr. Randall said he doesn't know that this would measure specifically the impact of the Bachelor, because this measures overall occupancy, but can't determine the actual cause for coming here. He said we do know it generated \$3.5 million of earned media value – the amount of free publicity, the value of that publicity. He said \$3.5 million is significant, and was more than 10% of last year's earned media value, noting it has increased from \$7 million 3 years ago to in excess of \$30 million this past year.

Councilor Trujillo he wants to know what is the value to Santa Fe – how many people came in because of the Bachelor and if they spent money in Santa Fe.

Mr. Randall said overall occupancy was up 2 points last year, but he doesn't know whether that was due to the Bachelor or anything else. He said the Margarita Trail has replaced more than \$3 million of earned media value so far this year.

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

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

12. **REQUEST FOR APPROVAL OF A RESOLUTION REQUESTING THE CITY MANAGER TO DIRECT STAFF TO DEVELOP A PLAN THE CITY CAN IMPLEMENT TO IMPROVE THE APPEARANCE OF MEDIANS ALONG CITY ROADWAYS (COUNCILORS TRUJILLO, AND HARRIS AND IVES). (ROBERT CARTER AND RICHARD THOMPSON) Committee Review: Public Works Committee (approved) 08/08/16; City Business and Quality of Life Committee (approved) 08/10/16; and City Council (scheduled) 09/14/16. Fiscal Impact – No.**

Chair Dominguez said he has a statement regarding Items #12 and #13 in general. He said, "I'm glad to see we have so many of our first responders here, our Police Department. Thank you very much for being here. During the budget hearing we had a slot specific for you and nobody showed up, but

nonetheless you are here today. I want to say I stand in support pretty much for both of these pieces of legislation. But I also want to say that, it's kind of the way we've done business in the past, and we need to be very careful not to fall into that same dilemma. And that is where we wind up not looking at our budget in its totality. We kind of just address our budget based on who shows up, and that has really gotten us into trouble in the past. Again, I stand in support, generally speaking, for both these pieces of legislation. The statement really is that the plan, which is really what these two pieces of legislation are asking to do, it's going to be easy to come up with the plan. The hard part is going to be determining how to finance it, how to fund. And those are discussions obviously we need to have between now and the next budget, or even sooner."

Chair Dominguez continued, "And the last thing is, I just want the Committee to please be careful not to negotiate from the dais, because we did have a presentation from the POA regarding some composition of that, and they may be going after some of that. And so we just need to be very careful about that. I can't move for approval on Item #12 or #13, but I will go ahead and open it to the Committee so they can and we can have a discussion.

Councilor Ives said the challenge is how to engage the community on medians and sidewalks. He said the private sector is developing an interest in determining how to work with the City, and several meetings have been held already with groups such as Santa Fe Rotary which asked how they can work with the City on medians and sidewalks. He said it is wise to support those efforts and the maintenance of our City as an attractive place. He would join as cosponsor of this bill.

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

DISCUSSION: Chair Dominguez said he doesn't want to go back to what we have been doing, and obviously that isn't working, and he is unsure it ever did. He is looking for strategy, some sense of measuring how we do this. He said one of the biggest complaints from the public was that we have too many City employees. He said without knowing how much we can do, we can't answer that question as it pertains to this issue. He said we will be looking to plug that in at the Council meeting.

Councilor Ives said staff stands ready to engage civic groups around the City in intelligent ways. He thinks the City will be called upon to figure out how we reasonably can get people involved in that process. He said we need to make some effort in enforcing Ordinances with regard to sidewalks which he doesn't think we are doing, so there is an opportunity to improve there quite quickly. In terms of medians, some are under the Parks & Recreation Department and others under Santa Fe Beautiful. He said the challenge is how to engage citizens willing to participate without requiring them to buy \$1 million of liability insurance, and other requirements that are part of our Santa Fe Beautiful Program now.

Chair Dominguez said he will be proposing clarifying legislation, noting this doesn't speak to any of our private organizations or a third party. He said he wants to eliminate some of the bureaucracy that comes with the work that has to be done. He thinks we can come up with that language by the time this goes before the Council.

Councilor Harris said, as a cosponsor of the Resolution, he would acknowledge and accept all comments made by Councilor Ives and Councilor Dominguez. He said this is one of the "hottest buttons which puts Mr. Thompson on the hot spot." He said this needs to change, and what he hears from people, is this is a visible sign of failure. He said, "I know that all Councilors will work with you in the development of an effective plan for implementation, but it needs to consider everything that has been discussed, other things that have been tried and didn't work, but are being considered. I think that Parks and Recreation really needs to take this seriously. And that's all I have to say. Thank you, sir."

Councilor Trujillo said he hopes his colleagues have an open mind to this Resolution which asks our staff to come up with an idea, because what's being done isn't working. He said he wants to emphasize that there is an Ordinance which currently allows for certain things to be done to mitigate these weeds. He said unfortunately, in the past there have been Mayors who stop work when they get comments. He said staff is out there doing their job, but one word and work stops. He wants this practice to stop.

Chair Dominguez asked Councilor Trujillo asked if he is saying the staff isn't following the Ordinance.

Councilor Trujillo said staff is following the ordinance, but when a group goes to either the City Manager or the Mayor, then the work stops.

Chair Dominguez said then staff isn't following the Ordinance.

Councilor Trujillo said, "Yes, because they have been told by someone to stop."

Chair Dominguez asked, "By members from the public."

Councilor Trujillo said, "No, the members are not behind you, so that's what I don't like. I'd like to make sure that if staff is out there trying to do their job, that they aren't stopped, and we find about it 3 months later. I'm the one that's griping the most to staff as to why the medians look this way. And then I found out the *inaudible* the employees were out there doing what they were supposed to do, and then they were told to stop. I'm the one griping most on that, but I just want to happen."

Councilor Villarreal said the City has an IPM Ordinance with steps to be taken, and spraying is the last resort. So as long as we follow that Ordinance, we should be okay. And sometimes there are rumors that happen, undermining our staff from doing its job, but we also need to know that staff has the ability and the smarts to be able to know that the IPM Ordinance has lots of steps for us to eradicate weeds that don't necessarily need spraying. So I just think the IMP [ordinance] is there for a reason, and has its purpose, and we need to follow it. And we don't stop because of a situation, because that opens Pandora's Box. She said she thinks we will be okay if we follow the IPM to the best of our ability, and the steps...."

Councilor Lindell thanked Mr. Thompson for attending the meeting. She said, "I know this is a tremendous amount of work, we recognize that. And we also recognize in terms of peoples' satisfaction/dissatisfaction, this is some low-hanging fruit for us to focus on. We are going to find a way to make this work, reiterating this is low hanging fruit in terms of providing satisfaction to our citizens and ourselves. I am happy to meet Councilor Ives with his weed wacker anytime. I know Councilor Harris will tell you there's someone that

takes care of Gonzales Road on a very regular basis. I'm out there once a day there on Gonzales Road on my walks taking something to pull weeds with or something to trim with. I feel like I made a difference on it this year. It looks a lot better. It just takes a commitment. And like I said, this is low hanging fruit and we are going to pick that fruit. So thank you Chair."

Chair Dominguez said the Sidewalk Angels have been working side by side with the City for a few years. And one of the things that needs to be recognized is the bureaucracy that comes with the volunteers. He said as he moves forward, "One of the things I'm going to want to see, quite frankly, Oscar, is the history of what staff... one of the items here is manpower constraints. And just to be honest, we should see a history of that and see how many employees, through the budget process, that they lost, so we can make sure that we had a balanced budget, and really a measure of that to see where the baseline is for these efforts. Thank you for being here. And tell you staff thank you very much for the work that they do, because they are out there doing much more with much less daily, and we thank them for their work, and we'll do what we can to help them out."

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

- 13. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO COLLABORATE WITH THE POLICE DEPARTMENT AND FINANCE DEPARTMENT TO DEVELOP A PLAN, INCLUDING FISCAL IMPACT, FOR RETAINING POLICE OFFICERS CURRENTLY SERVING WITH THE CITY OF SANTA FE POLICE DEPARTMENT (COUNCILOR TRUJILLO AND COUNCILOR HARRIS). (PATRICK GALLAGHER) Committee Review: Public Safety Committee (scheduled) 08/16/16; and City Council (scheduled) 09/14/16. Fiscal Impact – No.**

Chair Dominguez asked the Committee if they have questions. Chair Dominguez reiterated his previous statement under #12. He noted the shifts were changed.

Chief Gallagher said yes, there are four 10-hour shifts.

Chair Dominguez said the Police Department has indicated that will help the Department. He asked if we have the vehicle take-home policy.

Chief Gallagher said yes, that was reinstated. He said these are a few of the things that show we are interested in doing what we can to be sure the Police Department gets the needed resources to make our community safe. He said the issue of attrition will have to be resolved before we get into the entire discussion as well.

MOTION: Councilor Harris moved for purposes of discussion, seconded by Councilor Ives, to approve this request.

DISCUSSION: Councilor Harris asked to be added as a cosponsor of the bill

Councilor Harris said we approved the contract recently and Sgt. Baker pointed out that the contract allows for compensation negotiations to be initiated in August and that it would be forthcoming. He wants to understand the mechanics, and if that discussion will occur soon, or as part of the upcoming strategic planning effort over the next few months. He assumes the City Manager handles the compensation discussions.

Chair Dominguez asked Chief Gallagher to lay out the timeline on the administration side, and then the union will be asked to concur or respond.

Councilor Harris said the Resolution is fine, but it is fairly broad, and he would like to "kind of start tonight, a little bit, I'm not negotiating, but I really want to know what is ahead in terms of a roadmap on timing on how this is going to be handled."

Chief Gallagher asked if he is speaking of a roadmap for the negotiations for the next contract.

Councilor Harris said, "No, again, Sgt. Baker stated there would be a discussion initiated regarding compensation. I don't remember exact words, and it could be initiated in August. Here we are in early September, and so, again the roadmap what I'm looking for has to do with timing. And again, part of it is the bigger picture we're trying to deal with in terms of the strategic planning and establishing priorities. I think it's safe to say that any community values to the Police Department, I hope they can say that. And as such, is a high if not the highest priority. Again, I just want to take a little bit of time. The Police Department is well represented. I don't really have a notion of who all is here, but I know that they are interested. And so this is something I would like to hear a little bit more detail."

Chief Gallagher said in terms of the contract itself, he still is unclear what Councilor Harris wants, and he can ask Deputy Chief Padilla to come up and talk about the contract negotiation process, or ask Sgt. Baker to explain what he said to you previously. He said what he was prepared to do tonight was to discuss some of the issues in the Resolution, and asked if that is what Councilor Harris is looking for.

Councilor Harris said that would be a good place to start.

Chief Gallagher talked about what Albuquerque has done is to try to entice lateral transfers of police officers from other jurisdictions, noting Albuquerque also is experiencing an acute personnel shortage. He said they are offering an \$8,000 signing bonus for a lateral transfer, and 100 hours of sick and annual leave, which is about \$13,600. They are offering lateral transfers with two years experience to earn \$28 per hour. Our officers are close to that but it takes them 7 years to get there. His concern is some of our officers may be interested in making that move, especially those not at top salary.

Chief Gallagher continued, saying for the younger officers making \$60,000, there is concern they would take the offer of the Albuquerque Police to move to Albuquerque. He said a survey was taken of the police, asking them what would make them move to Albuquerque. He said the major issue was compensation. He said the 5 options from the survey are: a change in the City's contribution to PERA,

perhaps 75-25% split; a one time bonus with a pro rate repayment if the officer doesn't stay the requisite time; reduce the time to get to the top salary; an across the board salary increase in a dollar amount; and an annual step increase of 1% on the anniversary date.

Councilor Harris said he is pleased the Department initiated the survey, and the proposed options get to the specifics for discussion and thinks it's important to start the conversation fairly soon and see how it plays out.

Chair Dominguez said the City has done elements of all 5 of those in the past during his tenure. He asked of the 5, what are things that are negotiable. Obviously the across the board salary increase, is not a part of the Committee's hearings other than the cost. He asked other options that could be part of the negotiations.

Chief Gallagher said he believes the PERA amount was just removed from the contract.

Chair Dominguez said then it was removed, but you want the Committee to consider it, even though it was removed, and Chief Gallagher said yes.

Chair Dominguez asked if the administration negotiated to remove that provision.

Chief Gallagher said, "Agreed to remove it, yes."

Chair Dominguez said then the administration agreed to remove it, but you are asking us to consider it as part of a package for retaining police officers.

Chief Gallagher said yes. He said that was done prior to Albuquerque's actions.

Chair Dominguez said, "Just so everyone knows. That put the Governing Body in an interesting predicament, or dilemma, because you are asking us to give you something that you negotiated away. So we just have to be very careful with that. What about the retention incentive payment."

Chief Gallagher said he thinks it is negotiated.

Chair Dominguez said, "In the past it wasn't negotiated, we just had a City Manager that just gave it. We don't have a City Manager that is going to do that now, but it's not something that is negotiable, I don't think."

Chair Gallagher said, "I don't believe it is."

Chair Dominguez asked about the reduced time to get pay.

Chief Gallagher said he believes that would be negotiable.

Chair Dominguez said then almost all of this is negotiable.

Chief Gallagher said yes, except for the retention pay.

Councilor Ives asked when Albuquerque put its incentives in place.

Chief Gallagher said in the past two months.

Councilor Ives asked how many officers have moved.

Chief Gallagher said none yet.

Councilor Ives asked if other cities in the State and region are offering similar incentive packages that make us potentially fearful that some of the Santa Fe Officers might switch allegiance.

Chief Gallagher said Albuquerque is the biggest concern, commenting other departments have payments, but not as large as that of Albuquerque which is close to Santa Fe.

Councilor Ives asked the Chief his sense of what the response to Albuquerque's incentives has been – in other words no officer from Santa Fe has taken Albuquerque's offer.

Chief Gallagher said there may have been officers that have applied, but they don't know and none have left the Department, but it's likely some have applied. He said they will know officially when they start asking for background checks.

Responding to Councilor Ives, Chief Gallagher said he doesn't know the response by other municipalities to Albuquerque's offer.

Responding to Councilor Ives, Chief Gallagher said the survey was done about a month ago, and he can share the results. He said he is in favor of doing the study, and determining the possibilities, but he still wants to understand the nature of the need. He said, "We're saying, the sky is falling, but nobody has shifted, not that I'm encouraging anyone to do that." He thinks there are extreme benefits just from working in Santa Fe as opposed to Albuquerque as a Police Officer, based on what he reads in the newspapers.

Chief Gallagher said there is a distinction between recruitment and retention, noting some of the issues Councilor Ives just mentioned are recruiting issues, noting they currently have 13 vacancies.

Chair Dominguez said, "On that point Councilor Ives, and with all due respect to you Chief, it was sold to us as retention. Those were things we were going to be able to do, forget the fact that couldn't even fill all the positions we have funded for all these years. But we were told those were at least two things we would be able to use to retain officers in the City, that there were huge benefits to that. So just to make that point."

Chief Gallagher said that is understood, and "I'm working hard, but this is almost like a poker game, with the stakes being upped. So when that was told to you, yes that was the case. Now the stakes have been raised by Albuquerque. That is essentially where we are."

Councilor Ives said he understands, noting in his notes that there is a relationship between hiring and retention, so he doesn't think we can separate them out saying one has nothing to do with the other.

Councilor Ives said what he would like to see in the report to come back are some more considered and detailed answers to his questions, which is first and foremost to understand the nature and extent of the problem. He is happy to move forward with the planning, reiterating he wants to understand the nature of the problem, as well as to look at some of the other information developed through the surveys and others as part of this process. He said, "Hopefully, all that will be part of what you or the City Manager bring back in due course to the Council."

Chief Gallagher said he will work with Finance on that if this approved.

Councilor Villarreal said she is learning this process, and just wants to understand all the pieces, because she values the work of the Police. She thinks Albuquerque has a different approach because they are having a hard time recruiting people, given the circumstances for that happening in the past year. She said, "I am wanting to understand more, and I just want to be open to understanding all sides of the picture."

Councilor Trujillo thanked Chief Gallagher and staff for their work on this. He said when Albuquerque raised the stakes, he thought a lot of our officers would contemplate that offer. He said we've always had the problem of recruiting and retaining Police Officers in this community.

Councilor Harris said this will go to the City Council on October 14, 2016, so this needs to move fast. He will be following up with the City Manager, because he assumes it will move forward tonight and at the City Council. He said this, to him, is a critical discussion, but he has no idea how it will sort out. He is pleased with the survey. He asked Sgt. Baker what he would expect to see in terms of a discussion about retention, and understands compensation is key to that discussion. He asked his expectations in terms of timing and if the Association initiates this discussion based on the approved contract.

Sgt. Baker, President, Police Officers Association, said, "To clarify your question earlier, I will address that, the contract you just approved on August 31st. The Albuquerque bonus went in the prior week. I do know there are officers that have applied, and we won't find out which ones those are until they start doing the background investigations, then they'll start asking obviously, and then they will have names to go with that."

Sgt. Baker continued, "Just prior to this meeting, I went upstairs and signed the contract, so once it's signed by the City Clerk and everybody, then it will actually go into effect. It will be retroactive back to July 1st. Again, we were 4 contracts behind. So we're still playing catch-up. This one brought us up to date to July 1st of this year. It is a 3-year agreement, with the exception that we can open three non-economic sections of the contract annually, and then finance also annually."

Sgt. Baker continued, "Our previous contracts have tied us down to beginning negotiations January 1st. This contract, going into effect, brings us up where we can start on August 1st, so we can actually get ahead of the budget cycle, so the Finance Committee can actually help plan and assist us in giving direction to the City management side on what finances they have to bargain with. We have not had a raise in 7 or 8 years, and the last pay raises we did receive, other than the 2% the Mayor gave to all City employees in 2012. But negotiated pay raises, we actually financed our own pay raises. We gave up personal holidays, incentive pay, sections of our uniform allowance, so we give up things to get stuff. So we actually took a net loss. When our pay went up, so did our insurance. Our insurance has gone up I think by 18% during that same time period, but our pay has gone nowhere."

Sgt. Baker continued, "Our whole goal in negotiations is we're not trying to put a band-aid on an arterial bleed. We want to address recruiting and retention. Get the people here, make it where they want to come here. We've had issues, our recruiting officers had people that are interested in coming here, but the cost living here, they just can't afford to move here. And then the take home vehicle, that's why need to keep at least 60 miles for everyone, because people can't afford to live here. And that's something we do address about housing and cost of living in Santa Fe to make it viable to officers to come and live here."

Sgt. Baker continued, "The way our retirement program works, is we pull a much larger percentage of our PERA because of our 25 year retirement, which used to be 20 years, so it's moved, but we pay a larger percentage than the civilian pays, because we retire earlier, so they take *[inaudible]* into account. So what you actually have at the end of the payday to live on, and survive on here is less than what you believe. So that was one of the options we were discussing, is picking up a larger percentage of PERA. A percentage got negotiated out. It was explained to us that oh, it was automatic. The City automatically does that so it doesn't need to be in the contract, so we're not going to put that back in the contract. So it wasn't something that we wanted to do really. It was explained to us that it was already being done, based on the retirement program we're under, that it was automatic so it was irrelevant. But after we had the contract done, is when our legal counsel at the time said, oh no, that needs to be in there, so that's why we're trying to get it back. Again, we were told no."

Sgt. Banker continued, "There are several things we need to address. The \$8,000 bonus, again. I don't know necessarily that a retention bonus is going to do much, but again we need to address across the board increasing the starting pay, increasing salaries, possibly lowering the amount of time it takes to get to the higher pay rate so people can actually afford to live here."

Councilor Harris asked Sgt. Baker, as President of the Association, if he can say when he would expect to initiate any of the three 3 non-economic, or economic discussions that are allowed in the POA Contract.

Sgt. Baker reiterated that he signed the contract today, and once it is signed by the City Clerk, the City Manager and everybody who needs to sign the contract has signed it, and it is official, it goes into effect immediately. He said they already have submitted their letter to begin negotiations, so they are getting ready to set the ground rules, meet, and start negotiation sessions now. He said they would like to have it completed at least by December. He said immediately after the August 31, 2016 Council meeting, they submitted the letter. He said the first meeting hasn't been scheduled because of Zozobra and Fiesta. He said, "Obviously, we are not unreasonable, and understand there are time frames."

Chair Dominguez so the first negotiation hasn't been requested.

Sgt. Baker reiterated they submitted the letter to begin after August 31st.

Chair Dominguez said that can be anytime between now and the next August. He asked for a more specific date.

Sgt. Baker said that can't be done until after the first meeting.

Councilor Harris said he wanted a better understanding of timing, "and you provided that answer, so I appreciate it. And that's all I have Chair, thank you."

Chair Dominguez said, "It's easy to come up with a plan, but to pay for that plan will take tough negotiations and a lot of hard work, because all of our employees are important, not just the Police Department employees, and they have a very significant role in this community. But there are a lot of employees besides Police Officers who have not gotten pay raises for a number of years who have the same struggles as you have and being able to live here. You speak for the POA, but you have the civilian employees we need to keep an eye out for, and there are, of course, the other two bargaining units we have to deal with. So let's just all keep in mind that, as a Finance Committee, we are responsible for the overall fiscal health of the entire City of Santa Fe and we cannot just look at the Police Department or the Parks Department and medians in a silo. So, thank you for that. Thank you for bringing this to the forefront, thank you Councilor Trujillo. I think it's something we've always taken care of. We've done everything we can to take care of our Police Department."

Sgt. Baker said, "Our concern is with the new annexation, our work load just..."

Chair Dominguez said, "I'm not going to get into that, other to say that maybe this current administration... there was no justice from the previous Police Department, because that administration basically gave their support for it and said the Police Department could handle the case load."

Responding to Sgt. Baker, Chair Dominguez said you can take that up with the previous negotiating team, previous Police administration, and the way we are here today."

Chair Dominguez said, "Just for the record Ms. Helberg, let the Chair be recognized as voting in support of this bill."

VOTE: The motion was approved on a voice vote with Councilors Harris, Villarreal, Lindell and Ives, and Chair Dominguez voting in favor of the motion and none voting against.

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

Exempt Procurements as allowed by Procurement Manual and State Law

Mr. Rodriguez introduced two new members of the Finance Department staff, Christina Keyes, Treasury Officer and Bradley Fleutsch, Cash and Investment Officers, who came on board today.

Chair Dominguez said Items #16, #17 and #18, were put on discussion, "only because they were a little odd in terms of exempt procurements."

16. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT IN THE AMOUNT ABOVE THE CITY MANAGER'S THRESHOLD OF \$50,000 – TECHNICAL AND HOSTING FEES FOR SANTA FE TRANSIT OPERATIONS; ROUTEMATCH SOFTWARE, INC. (THOMAS MARTINEZ)

Items #16, #17 and #18 were combined for purposes of presentation, discussion, but were voted upon separately.

Mr. Rodriguez said he thought it would be a good learning opportunity to ask about this special part of our Procurement Code. These are 3 examples of situations where a competitive bid is deemed to not be in the best interest of the City.

Robert Rodarte, Procurement Officer, reviewed the portion of the Procurement Code dealing with exempt procurement.

Councilor Harris asked approximately how many exempt procurements in which the City is engaged.

Mr. Robert said it is about 20%, if that much, noting major areas at the Libraries take up a big chunk of it, as well as repair. He said approximately 70 of the City contracts are big comparatively or sent out for RFP.

Mr. Rodriguez said the license agreements for software are not competitively bid, for example. He said if they were bid, these vendors likely would be the only ones who could meet the qualifications and we would be negotiating with them from the standpoint of they are out and now we want them to come back in. In the case of #16, there is a very specific hardware that only one vendor is licensed to maintained and nobody else has that license, so it is pointless to bid that contract.

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

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

17. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND AGREEMENT IN AN AMOUNT ABOVE THE CITY MANAGER'S THRESHOLD OF \$50,000 – CITY WIDE ADVERTISING SERVICES; THE SANTA FE NEW MEXICAN. (ROBERT RODARTE)

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

DISCUSSION: Councilor Lindell asked in the budget sessions if we discussed not doing newspaper advertising.

Mr. Rodarte said in 2010, we spent \$184,000, due mainly to the BDD. He said those costs have dropped over the past 2-3 months, noting we are not required to publish everything regarding Council packets. He said the DOT ads were very expensive, and that has been trimmed, and we have renegotiated the contracts for all the color we do especially at the Convention Center and Parks and Recreation. He said, "We are taking action just like you directed us to do."

Councilor Lindell said she thought we decided during the Budget Hearings to not publish the Council Agendas and asked if that is correct.

Mr. Rodriguez said that is correct and those are gone.

Chair Dominguez said this is for publications regarding bids and other things we are required to publish.

Mr. Rodarte said a lot of the money will be spent for Election publications.

Chair Dominguez asked, "And this keeps us in compliance with the Open Meetings Act and all that other stuff."

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

18. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND PROCUREMENT UNDER STATE AND FEDERAL PRICE AGREEMENTS AND IN AN AMOUNT ABOVE CITY MANAGER'S THRESHOLD OF \$50,000 – CITY-WIDE HARDWARE, SOFTWARE AND SUPPORT SERVICES FOR ITT DEPARTMENT; VARIOUS VENDORS. (DAVID KULB)

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

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

19. PRESENTATION AND DISCUSSION OF INTERNAL AUDIT DEPARTMENT'S ANNUAL REPORT. (LIZA KERR)

Liza Kerr, Internal Auditor, said she is required to submit an annual report, and this is the report that summarizes the activity that has occurred throughout the year. She said since the Committee met in early August, she sent the Findings to the Committee, noting those are attached to this report. She said these are all the open findings throughout the City. So these are the Findings from every type of audit that has been done, noting the Audit Committee tracks this as part of its responsibility, with her assistance rolling it all into a data base. She said she really wants to make sure the City is paying attending to the Findings and there are no findings going from year-to-year-to-year. She said when the external auditors do the financial audit, they will clear the prior year's Findings and/or roll them forward. She said what they have are the 4 open findings from the latest audit conducted.

Ms. Kerr said the findings from Parking are from the past Internal Auditor. She said just prior to her coming in they did a report on Parking, right before the forensic audit on Parking. She has made several attempts to clearing those findings, but there has been turnover at the Director level in Parking. She made a push to clear those findings after Noel Correia came on board, and she believes some of those have been cleared at this point, but she hasn't been able to get to them.

MOTION: Councilor Ives moved, seconded by Councilor Harris, to approve the Internal Audit Department's Annual Report.

DISCUSSION: Councilor Ives said once the Report comes in, he would like to understand the Findings, especially the repeat Findings. These are the ones to which we need to pay more attention and look for some policy guidance from the Governing Body. He said as the reports are done going into the future, he would love to understand the Findings over time, and if there are recurring findings that need to be addressed.

Ms. Kerr said she does track that information in the data basis, and she can provide that information, noting we are tracking 300, and she included some of the entities the Audit Committee tracks such as the BDD, the Civic Housing Authority and SWMA. She said bringing these issues up year after year and keeping a focus on them has done some good in that respect. For example, IT has a great security officer who is going to have a great policy, as well as the personnel to enforce the policy which is critical.

Councilor Ives said his request would be when Ms. Kerr reports, to identify if we've had those exceptions noted two times or more, and print those out for the Committee, as well as her assessment of those of any significance. He said we want to be responsive to these.

Mr. Rodriguez said he would recommend "to you as a standard here, and we'll be discussing this when the Finance Performance Metrics come forward, that what you should expect in the form of an audit and Findings are zero findings. This means a clear audit, and that day will come."

Councilor Ives asked what steps we need to take to get us there.

Mr. Rodriguez said we address any Findings, and that we manage our finances and internal controls, so there are no Audit Findings, and that's what you should expect of a well managed financial system.

Chair Dominguez said then technology will be used to reduce those Findings, and Mr. Rodriguez said yes.

Councilor Harris said he attended the last Audit Committee, and he is reminded that the Lodgers' Tax has the largest number of open Findings, some of which are substantial and deals with non-compliance on the part of different vendors – hotels, short term rentals. He said he will be looking at that closely to see what is being done. He said findings are categorized, asked her to remind us of those categories.

Ms. Kerr said it depends on the type of audit. For example, the CAFR Findings are in 3 categories – significant deficiencies, material weaknesses or deficiencies. She said in Lodger's Tax the deficiency can be categorized in different manners. She said if it is the Financial Audit, it usually falls into those categories, and she also tracks those in the data base.

Councilor Harris said it would be good know if these are recurring, but particularly if there is a significant one that shows up. He asked, for example, regarding the lack of a security policy in IT, how that is characterized.

Ms. Kerr said as a significant deficiency, or perhaps a material deficiency, and she would have to check on that, but believes it was characterized as a material weakness. It is a significant issue because it makes the City vulnerable.

Councilor Villarreal said she shares the same concerns as Councilor Harris about the Lodger's Tax, noting it was discussed in the Audit Committee. She said, "It looks like it's going down. I'm just curious what happened since the last meeting that reduced the findings."

Ms. Kerr said 85 is the cumulative numbers since we started correcting the data, so that goes back 2-3 years. She said what has happened with the 38 since we last met, is she sent the findings to David Tapia in the Finance Department for a response. He did send her some information to clear some of those, but she hasn't had time to update the information.

Councilor Villarreal asked what the majority of those Findings were.

Ms. Kerr said with the Lodger's Tax, it is around the hotels not cooperating. She said the City could use the help of the Governing Body to enforce the Ordinance. She said if the lodger doesn't comply by responding to the Auditor's request for record, there is a penalty, but there are a lot of issues around that. She noted this is a significant revenue source for the City.

Councilor Ives said we did make significant changes to the Lodgers' Tax Ordinances. He asked if she is saying they didn't include modifications in those changes that would respond to the identified Findings.

Ms. Kerr said at the time of this audit, those changes hasn't been made.

Councilor Ives said, "We did try and put teeth into it, whether they're the right teeth is my question. Maybe somebody could make that assessment and let us know if we need to do more."

Ms. Kerr said she will do so. She said Ms. Brennan advised her that she has been working with the Governing Body to make those changes.

Mr. Rodriguez said he will be raising that tomorrow with the Audit Committee, and this Committee is invited to attend. He said the sanctions include "everything to pulling the establishment's business permit if they won't or comply. He said some said explicitly, "No, we're not going to send them to you, and talk to our lawyer from this point forward."

Mr. Rodriguez continued, saying because of the big changes that have been made, which greatly emphasize the numbers of payers, there is going to have to be a lot more effort put into this compliance effort. This will now be a much more significant effort.

Councilor Villarreal reiterated her concerns in terms of how we collect our revenues, and that we don't enforce it. She said, "There has to be a carrot-stick approach for compliance, maybe."

Chair Dominguez asked if action is needed.

Ms. Kerr said the Ordinance stipulates that the report will be presented to the Governing Body via the Finance Committee. She asked if the Committee wants the report sent to the City Councilor, or if this report at this Committee is sufficient.

Chair Dominguez said, "I think to be inclusive, we have to send it to the Council, or at least include it in the Council Packet."

Ms. Kerr asked that it be on the City Council Agenda in October, noting she will be absent for the next two City Council meetings.

Mr. Rodriguez said the question is if you think this same presentation should go to the City Council – an item as it is right now on Finance Committee, noting it traditionally has gone to the Council.

Chair Dominguez said this is what the Finance Committee is for, and if there is something we feel should be seen by the entire City Council we can send it forward, but there doesn't seem to be anything glaring in this report that needs immediate attention. He said, "My personal opinion is we provide them the information and they can pull it and have a discussion if they want."

FRIENDLY AMENDMENT: Responding to Ms. Kerr, Chair Dominguez said there is consensus among the Committee to put it on consent, and "let the motion reflect we are sending this forward on the Consent Agenda for the October 13, 2016, City Council meeting. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

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

20. PRESENTATION AND DISCUSSION OF TROY & BANKS UTILITY AND TELECOMMUNICATION CONSULTANTS CONTINGENCY AUDIT OF CITY UTILITIES. (LIZA KERR)

A Memorandum dated September 7, 2016, to the Audit Committee, from Liza Kerr, regarding the Internal Audit, is incorporated herewith to these minutes as Exhibit "1."

Ms. Kerr presented information regarding this matter from her Memo of September 7, 2016, which is in the packet. Please see Exhibit "1," for specifics of this presentation.

Ms. Kerr noted this is one of the ways we can earn money for the City in these hard times without needing additional manpower under current budgetary constraints, commenting she is surprised at how little they found.

Councilor Harris said this is a great exercise, commenting Ms. Kerr's reaction was the same as his, noting this is another layer that seemed to have worked well. He said it is interesting that most of the errors came from PNM. He presumes they also are looking at telecommunications and New Mexico Gas Company.

Ms. Kerr said no, it's just these.

Councilor Harris thinks it would be interesting to look at telecommunications and Gas Company of New Mexico.

It was the consensus among the Committee to move this item forward to the City Council on the Consent Agenda.

21. PRESENTATION AND DISCUSSION OF SUMMARY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE. (LIZA KERR AND CITY MANAGEMENT HOTLINE REPRESENTATIVES)

Ms. Kerr presented information from her Memorandum of September 6, 2016, which is in the Committee Packet. Please see this Memo for specifics of this presentation.

Chair Dominguez said one of the reasons the Hotline was created was so there would be some autonomy between Ms. Kerr and management, and asked how that is displayed. He said it appears employees are looking at one another, when this is intended to cast the net a little wider and to look not only at the employees themselves, but also management, even upper management.

Chair Dominguez said his question is how we can demonstrate the independence that this Hotline is supposed to bring.

Ms. Kerr talked about Case #3 as being an example of that, and explained what was done in regard to that case, noting she went back and reopened it because she had further questions for Capital Scrap, commenting she wasn't completely happy with the way it was closed out. She said she interviewed 3-4 people at the site where the complaint supposedly occurred and then sent information to Capital Scrap, and received information back to validate what information she could pull out. She got the last bit of information from them two weeks ago and she can now close out that case. She said that is how the independence works.

Chair Dominguez said all of the Hotline representatives are all upper management, division level participants, and all are subordinate to the City Manager, which doesn't appear to him to be fair. He said this is not a hotline intended to get lower level employees to point the finger at one another, but a way to reduce fraud and abuse City-wide. He said it isn't a criticism of the work they do. They are doing their work which he applauds.

Ms. Kerr said if there is an issue, for example with the Director of Human Resources, that Director won't get notification about issues, and she won't be able to see it. She said these people see only issues that have been assigned to them. She said she is the only one who sees all issues.

Chair Dominguez said the disposition of any case goes before this team to decide if it warrants the team looking at it.

Ms. Kerr said the disposition of the case goes to the person it is assigned to, so that person will bring back information.

Mr. Rodriguez said all complaints that come into the Hotline are reported to the State Auditor's Office as well, who will decide whether or not the complaint is serious enough for them to investigate, but the City will keep on its own course.

Chair Dominguez said he doesn't want to belabor the point, or speak for Councilor Rivera since he is the one that initiated this, and is the main sponsor, but the idea was to spread the net far and wide and not just be so focused on lower level employees.

Ms. Kerr said what she would say to that is the net is spread far and wide, because the hotline itself is open to all employees.

Chair Dominguez said that may be true, but if he is an employee and he looks at the team, he is going to think there is nobody there really representing me. He said he will leave it at that.

Chair Dominguez said his last question is whether we hire third party, independent investigators, or anyone else to go through these, and if so, how much was spent.

Ms. Kerr said not in most cases, and she can't really speak to that, because the only time a 3rd party investigator has been hired was for Case #12 on the list. She said that 3rd party investigator was hired by H.R., and she is unsure how much was spent.

Chair Dominguez asked the cost.

Ms. Kerr said she doesn't know, but will get that information for him.

Chair Dominguez asked her to get that information for him, and he will have that discussion off-line.

Mr. Rodriguez said that was just for that engagement, but in the H.R. budget, there is a budget precisely for these kinds of investigations, and he will provide that information as well.

Ms. Kerr said there have been 35 complaints so far which is fairly normal for a City of our size. She said if you want to increase the number of complaints, there a lot of things they can do to advertise the Hotline better. However, she is not sure, as currently staffed, she can handle an increase in the number of complaints.

Chair Dominguez said really we want to create a culture and a climate where we have no complaints, that is his goal.

Ms. Kerr said she agrees, reiterating that 35 complaints is okay.

Chair Dominguez thanked Ms. Kerr for her work and for the reports.

It was the consensus among the Committee to send this item to the City Council on the Consent Agenda.

22. MATTERS FROM THE COMMITTEE

A copy of Grant Award and Agreement between the U.S. Department of Transportation and City of Santa Fe, acting for the Community of Santa Fe, New Mexico, under the Small Community Air Service Development Program, CFDA 20,930 FAIN: DOT-OST-2016-0037-0029, Purchase Order: 2616006SC, entered for the record by staff, is incorporated herewith to these minutes as Exhibit "2."

Chair Dominguez said he will be absent for one of the meetings in October, and Councilor Lindell said she will be out of town October 2-19, 2016. He asked Ms. Green when we get to the October meeting to do a quick count to be we have a quorum for the meetings.

Mr. Rodriguez noted there is an item for staff [Exhibit "2"] which isn't on the agenda, but one about which he wants to inform the Committee. He said on Friday, the administration had to sign a grant of \$500,000, noting there was not time to put it on the Agenda. He said as a matter of transparency, he wants to let the Committee know that they did this, and it will be coming back to this Committee for ratification. He reiterated there was a very short window, and staff thought the better thing to do was to sign it and then come back and tell the Committee.

Chair Dominguez asked what happens if it isn't approved by the Committee and City Council.

Mr. Rodriguez said if you don't approve it, then we don't get the grant, but if we didn't sign it, you would not have had a chance to say yes or no to it in the first place.

Councilor Ives said in Water, we have approved a Resolution allowing staff to seek and apply for grants, and wonders if a similar type of proposition, properly considered, across the City might to some degree make sense.

Mr. Rodriguez said this goes a little further. He said both he and the Airport Director signed the agreement itself, so this isn't application, this actually gets us into an agreement to get this \$500,000. He said it's extraordinary and said, "I just think this is one of those things that it's best to do it and then we'll come back to you as soon as we can. That's why I'm telling you about it tonight."

Councilor Ives said, "I just think we should be looking for money in all the right places, and staff should have some latitude to seek out grant funding. Usually there's time for consideration of the grant awards as they come back, and many often require Governing Body approval in the first instance. And I'm not sure why we missed this one, but I know we'll hear that as it comes back around."

Mr. Rodriguez said, "I can tell you why this happens with Airports, having been with cities for some time. The Airports depend on federal funding throughout the county for the vast majority of its funding. What happens is the FAA, and various funding agencies, especially for airports, will get to the end of their fiscal year and there will be extra resources, and they ask the high priority airports like Santa Fe – do you want the money, can you move this fast, yes or no, and so we said yes. Anything, the timing and things like that, happens because they go by the federal calendar which is October 1st to September 30th."

Councilor Harris reiterated he was at the airport for 1½ hours today, and he read the news article, indicating \$500,000 for a federal grant. However, in looking at this, he sees a local share of \$500,000, and doesn't see how that will be met. He asked if it is through something we already do, or essentially something we need to fund.

Chair Dominguez said there shouldn't be too much discussion on the item, because it isn't on the Agenda.

Mr. Rodriguez said he will follow-up with an email to him explaining what all is there, but the quick answer is part of it is in-kind and part of it is budgeted by the Council "that we can sort of promise that money."

Councilor Harris said it is a big question, with \$50,000 in kind and a \$500,000 local share, so he wants to know.

Mr. Rodriguez said this will come back to the Committee on September 19th, but in the interim he will respond via email.

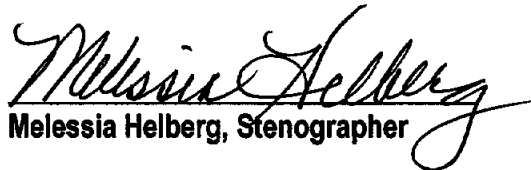
23. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:15 p.m.


Carmichael A. Dominguez, Chair

Reviewed by:

 FOR OSCAR RODRIGUEZ
Oscar S. Rodriguez, Finance Director
Department of Finance


Melessia Helberg, Stenographer

City of Santa Fe, New Mexico

memo

Date: September 7, 2016

To: Audit Committee

Via: Liza Kerr *Liza Kerr*

From: Internal Audit

ITEM AND ISSUE: Presentation & discussion of Troy and Banks Contingency Audit of Utilities
BACKGROUND AND SUMMARY:

The City of Santa Fe (City) contracted with Troy and Banks to conduct a contingency audit of the City's gas, electric, telecommunications and water / sewer utility service accounts. The purpose of audit was to secure refunds, credits and cost reductions resulting from discovery of charges or costs in excess of those permitted or allowed by applicable contracts, tariffs, statutes, rules and regulations and/or from overcharges or billing errors. The agreed upon recovery rate is 29% of overcharges, and 25% for future cost reductions, for a period of 12 months.

The contract was signed on August 19, 2015; the attached report summarizes the results to date.

The idea for this audit originated at an Association of Local Government Auditor's Conference. The use of a contingency auditor for this type of audit was highly recommended as it requires specific skills and tools that most small audit shops do not have.

Summary of Activity - See Report for Further Details

Account Type	Recovery Type	Gross Savings	Rate	Charge	Net Savings
Electric	credit	14,439.95	0.29	4,187.59	10,252.36
Exempt Tax	credit	1.36	0.29	0.39	0.97
Exempt Tax	credit	51.08	0.29	14.81	36.27
Streetlight	credit	2,205.79	0.29	639.68	1,566.11
Electric	Future savings	5,000.00	0.25	1,250.00	3,750.00
Electric	Future savings	6,700.00	0.25	1,675.00	5,025.00
		\$28,398.18		\$7,767.47	\$20,630.71

It should be noted that natural gas and telecom had no identified overcharges or future savings.

FUNDING: No funding is required at this time.

ACTION RECOMMENDED: The ordinance stipulates that the report be presented to the governing body via the finance committee. The following questions are for the governing body:

1. Is it your desire to have the report sent to the City Council meeting as part of this process?
2. If so, due to Internal Audit scheduling restraints in September can this item be placed on the City Council agenda for October 13, 2016?

No further action is required; this update is for informational purposes only.

Exhibit "1"

**GRANT AWARD AND AGREEMENT BETWEEN THE
U.S. DEPARTMENT OF TRANSPORTATION
AND CITY OF SANTA FE, ACTING FOR THE COMMUNITY OF
SANTA FE, NEW MEXICO, UNDER THE SMALL COMMUNITY AIR
SERVICE DEVELOPMENT PROGRAM
CFDA 20.930 FAIN: DOT-OST-2016-0037-0029
Purchase Order: 2616006SC**

WHEREAS, The City of Santa Fe (the Sponsor), on behalf of the community of Santa Fe, New Mexico, has applied for a Grant under the Small Community Air Service Development Program; now THEREFORE, the U.S. Department of Transportation (DOT), acting for the UNITED STATES, presents this Grant Award and Agreement (Grant Agreement) to the Sponsor for a grant of up to \$500,000 to assist in the Sponsor's efforts to address the air service needs of the community. This Grant Agreement shall be effective on the date of last signature by the Sponsor and DOT (collectively, the Parties). Unless otherwise defined in this Grant Agreement, capitalized terms shall have the meanings assigned to such terms in Section E hereof.

**THIS GRANT AWARD AND AGREEMENT IS MADE ON AND SUBJECT TO
THE FOLLOWING TERMS AND CONDITIONS:**

A. GENERAL CONDITIONS

1. The maximum obligation of the United States payable under this Grant Agreement shall be \$500,000.
2. Payment of the United States' share of the Total Project Cash Costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as DOT may prescribe, including, without limitation, 2 CFR Parts 200 and 1201. Final determination of the United States' share may be based upon a final review of the Total Project Cash Costs and settlement will be made for adjustments to the United States' share of costs.
3. The Sponsor shall carry out and complete the Grant Project without undue delays and in accordance with the terms hereof and pursuant to any regulations and procedures as DOT may prescribe.
4. This Grant Agreement constitutes an obligation of federal funding. The grant awarded hereunder shall expire and the United States shall not be obligated to pay any part of the costs of the Grant Project unless the Sponsor signs this Grant Agreement on or before September 13, 2016, or such subsequent date as may be prescribed in writing by DOT. If the Sponsor makes any substantive changes to this Grant Agreement, such changes shall constitute amendments to this Grant Agreement and further action on the part of DOT is required in order for DOT to accept such amendments to the initial grant award obligation. If not signed and returned to DOT without modification by the Recipient on or before September 13, 2016, DOT may unilaterally terminate this Grant Agreement.

Exhibit "2"

5. The Sponsor shall take all steps, including litigation, if necessary, to recover Federal funds when DOT determines, after consultation with the Sponsor, that such funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner in any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or disbursed by the Sponsor that were originally paid pursuant to this Grant Agreement.
6. The Sponsor shall retain all documents relevant to this Grant Agreement and the Grant Project for a period of three (3) years after completion of all projects undertaken pursuant to the Grant Agreement and receipt of final reimbursement from the U.S. Treasury, whichever is later. It shall furnish DOT, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by DOT.
7. The United States shall not be responsible or liable for damage to property or injury to persons that may arise from, or be incident to, compliance with this Grant Agreement.
8. The Sponsor shall ensure compliance with Federal regulations requiring conduct of a Federally-approved audit of any expenditure of funds of \$750,000 or more in a year in Federal awards.
9. The provisions of 2 CFR 200.317-200.326 (Procurement Standards), as implemented and modified by 2 CFR 1201, shall apply to the extent that the Sponsor procures property and services in carrying out the Grant Project.

B. SPECIAL CONDITIONS

1. Subject to the terms set forth in this Grant Agreement, DOT reserves the right to terminate the Grant Agreement, and DOT's obligations hereunder, on ninety (90) days' prior written notice, unless otherwise agreed between the Sponsor and DOT, if any of the following occurs:
 - a. The Sponsor fails to provide the local contribution as provided in its Grant Application, or alternatives approved by DOT;
 - b. The Sponsor fails to provide any In-Kind Contributions that are provided in its Grant Application, or alternative In-Kind Contributions approved in writing by DOT;
 - c. The Sponsor does not meet the conditions and obligations specified under this Grant Agreement; or
 - d. DOT determines that termination is in the public interest.
2. Either Party may seek to amend or modify this Grant Agreement on thirty (30) days' prior written notice to the other Party. The Grant Agreement will be amended or modified only on mutual written agreement by both parties.
3. At any time, on thirty (30) days' prior written notice, the Sponsor may request termination of this Grant Agreement.

4. Subject to the terms set forth in this Grant Agreement, and unless otherwise agreed between the Sponsor and DOT, this Grant Agreement will expire on January 10, 2020.

C. PROPOSAL SPECIFIC CONDITIONS

1. Sponsor: City of Santa Fe, designated by the community of Santa Fe, New Mexico, as the legal Sponsor under the Small Community Air Service Development Program, is a government entity that shall administer the Grant according to the terms and conditions set forth in this Grant Agreement.

Sponsor Contact:

Name: Mr. Cameron Humphres

Title: Airport Manager

Company: Santa Fe Municipal Airport

Address: 121 Aviation Way, Building 3002B,
Santa Fe, New Mexico, 87507

Phone (505) 955-2901

Fax:

Email: cdhumphres@ci.santa-fe.nm.us

DUNS Number: 069420818

TIN Number: 856000168

Other Grant Project Contact:

Mr. David Chapman

Grant Administrator

(505) 966-2012

(505) 955-2020

dachapman@santafenm.gov

2. Scope of the Grant Project

Grant Project: Minimum revenue guarantee (MRG) and marketing program to recruit, initiate, and support new daily service between Santa Fe (SAF) and Phoenix (PHX) and restore access to the West coast.

3. Funding

- a. Total Project Cash Costs: \$1,000,000
Federal Share: \$500,000
In-Kind Contribution: \$50,000
Local Share: \$500,000
- b. Payment by DOT shall not exceed \$500,000 for the Grant Project's Total Project Cash Costs, which are costs arising from the Grant Project described in Section 2 above.
- c. The community will provide any In-Kind Contributions described in its Grant Application, or alternative In-Kind Contributions approved by DOT, toward implementation of the Grant Project.
- d. The Sponsor shall pay the costs associated with the Grant Project prior to seeking reimbursement from DOT. If the Sponsor is seeking private

contributions to complete the Local Share, the Sponsor is responsible for ensuring that the full Local Share is provided.

- e. To seek reimbursement from DOT, the Sponsor shall submit documentary evidence of all expenditures associated with the Grant Project set forth in Section C.3.b above, and included in the Total Project Cash Costs set forth in Section C.3.a above (those to be covered by the local and/or state contribution, as well as those covered by the Federal contribution) on a monthly basis. DOT will reimburse the Sponsor on a monthly basis for **50.00 percent** of all valid expenditures submitted (the specific Federal share of Total Project Cash Costs is set forth in Sections C.3.a and C.3.b above), subject to Section C.3.c, above, and Sections C.3.f and C.3.g, below. All reimbursement requests to DOT shall include sufficient documentation to justify reimbursement of the Sponsor, including invoices and proof of payment of the invoice.
- f. Payment of the final ten percent (10%) of the Federal funding for the Grant Project will be made after receipt by DOT of the final report set forth in Section C.4 below.

Section C.4.g shall apply only if this box ☒ is checked.

- g. No reimbursement by DOT will be made until the Sponsor has provided DOT with a copy of the revenue guarantee, subsidy, or financial incentive agreement between the Sponsor and air carrier(s), including the cost and revenue bases for the compensation required.

Section C.4.h shall apply only if this box ☒ is checked.

- h. At the sole option of DOT, funding may terminate twelve (12) months after the Execution of this Grant Agreement if the Sponsor is unable to execute an agreement with an Air Carrier to provide the new air service described above, unless otherwise agreed between the Sponsor and DOT.

Section C.4.i shall apply only if this box ☒ is checked.

- i. At the sole option of DOT, funding may terminate within six (6) months after execution of an agreement with an Air Carrier to provide the new air service described above if the marketing program to support the service has not been developed and implemented, unless otherwise agreed between the Sponsor and the DOT.

Section C.4.j shall apply only if this box ☒ is checked.

- j. At the sole option of DOT, funding under this Grant Agreement may terminate if no air service by an Air Carrier has commenced within twelve (12) months after the Execution of this Grant Agreement, unless otherwise agreed between the Sponsor and DOT.

- k. If during the term of a revenue guarantee agreement, subsidy agreement, or other financial incentive agreement with the Community, the Air Carrier stops providing the agreed-upon service, DOT will only provide reimbursement to the Grant Recipient for the actual service provided by the Air Carrier under the relevant agreement.
- l. The Sponsor shall ensure that the funds provided by DOT are not misappropriated or misdirected to any other account, need, project, line-item, or the like.
- m. All requests for reimbursement must be made by the Grant Recipient within sixty (60) calendar days after the date of expiration (see Section B.4) of this Grant Agreement.
- n. All expenses for this Grant Project must be incurred by the date of expiration of this Grant Agreement (see Section B.4), unless otherwise agreed between the Sponsor and DOT.
- o. Should this Grant Agreement be terminated prior to the expiration date provided herein (see Section B.4), DOT reserves the right to require that the Sponsor return to DOT any of the funds reimbursed for expenses subsequently deemed ineligible.

4. Reports

- a. Grant Project reports, including progress on milestones as set forth in Section 4.b, below, shall be reported to DOT on a quarterly basis, with reports due to DOT as follows: January 15 for the First Quarter, April 15 for the Second Quarter, July 15 for the Third Quarter, and October 15 for the Fourth Quarter. **The first Grant Project report is due on April 15, 2017.**
- b. Project reports shall include the following: (i) brief narrative detailing the status of the Grant Project and the progress being made towards the scope of the Grant Project described in Section C.2; (ii) status report on the hiring of any consultants in conjunction with implementation of the Grant Project; (iii) status report on progress toward completion of any and all In-Kind Contributions committed to implementation of the Grant Project as described in Section C.3.a above and in the Grant Application, or alternative Third-Party In-Kind contributions approved by DOT, including documentation evidencing that In-Kind Contributions were made; (iv) status report on any and all marketing or promotional activities undertaken; (v) status report on any and all contract negotiations with Air Carriers, including any revenue guarantee, subsidy, or financial incentive agreements; and (vi) status report on contract negotiations with other third parties in conjunction with the implementation of the Grant Project.
- c. Final report (in a format to be provided by DOT) of the Sponsor's assessment of the Grant Project shall be made to DOT within three months after expiration of this Grant Agreement or conclusion of the Grant Project, whichever occurs earlier.

5. Sponsor Obligations

Section C.5.a shall apply only if this box ☐ is checked.

- a. Within three months following the date of Execution of the Grant Agreement, the Sponsor shall submit to DOT a detailed marketing plan as set forth in the Grant Application, including the types of media to be used, projected expenditures for each marketing component, and timeline for release of the marketing/advertising material.

Section C.5.b shall apply only if this box ☒ is checked.

- b. Within six (6) months following the date of execution of an agreement with an Air Carrier for service at the community, the Sponsor shall submit to DOT a detailed marketing plan as set forth in the Grant Application, including the types of media to be used, projected expenditures for each marketing component, and timeline for release of the marketing/advertising material.
- c. The Sponsor shall, within fifteen (15) calendar days after their execution, provide DOT with a copy of all agreements executed between the Community and any consultants, Air Carriers, or other parties with respect to the Grant Project. The Sponsor shall, within fifteen (15) calendar days after execution, also provide DOT with notice of any amendment to, or termination of such agreements. The Sponsor shall ensure that all agreements entered into with third parties regarding this grant are consistent with this Grant Agreement and the documents incorporated by reference into the Grant Agreement, and any amendments or modifications executed, pursuant to Section B.
- d. The Sponsor shall ensure that the obligations set forth in this Grant Agreement are met. Failure to do so may result in termination of the Grant Agreement by DOT.

D. ASSURANCES

The Sponsor shall execute the attached assurances and certifications (Assurances) in conjunction with its signing of this Grant Agreement and shall ensure compliance by the Grant Recipient with these Assurances and any amendments or modifications thereto. The Assurances are integral parts to this Grant Agreement and are deemed to be incorporated by reference into this Grant Agreement.

E. DEFINITIONS

Air Carrier: A United States-certificated air carrier undertaking to provide air transportation, including, without limitation, scheduled and unscheduled air carriers, regional air carriers, commuter air carriers, and air taxi operators.

Assurances: This term shall have the meaning ascribed to it in Section D of this Grant Agreement.

Community: All parties identified in the Grant Application as participating in the Grant Project, including the Sponsor.

DOT: United States Department of Transportation.

Execution of Grant Agreement: Signing of this Grant Agreement by DOT and the Sponsor.

Federal Share: Federal funds authorized for use by the Grant Recipient in implementing the Grant Project.

Grant Agreement: This written agreement between DOT and the Sponsor describing the scope of the Grant Project and setting forth the terms and conditions of the Community's participation in the Small Community Air Service Development Program, and incorporating by reference (a) all attachments and exhibits to this Grant Agreement, including the Assurances, in their entireties; (b) the Grant Application, except to the extent inconsistent with the terms of this written agreement; and (c) DOT Order 2015-6-18 in its entirety.

Grant Application: The complete document submitted in FY 2016 to DOT by the Community in Docket DOT-OST-2015-0126, including any information submitted in the docket as confidential material.

Grant Project: The scope of the project set forth in Section C.2 of this Grant Agreement.

Grant Recipient: Community receiving the SCASDP grant, including the Sponsor.

In-Kind/Third-Party In-Kind Contribution: Property or services that benefit the Grant Project and that are contributed by non-Federal third parties without charge to the Grant Recipient or a cost-type contractor under the Grant Agreement.

Local Share: Public, community, state, or private funds described in the Grant Application for use in implementing the Grant Project, excluding any In-Kind Contributions (including Third-Party In-Kind Contributions).

Party: DOT and/or the Sponsor, as the context indicates.

Proposal: A proposed project described by the Community in its Grant Application.

Quarter or Quarterly: Calendar quarter. Reports or other information required for submission on a quarterly basis are due no later than 15 calendar days after the close of the calendar quarter.

Small Community Air Service Development Program (SCASDP): A grant-in-aid financial assistance program originally established under the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. No. 106-181, as amended by Vision 100—The Century in Aviation Reauthorization Act, Pub. L. No. 108-176, and the FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95, and codified in Title 49 U.S.C. § 41743.

Sponsor Obligations: Responsibilities of the Sponsor under this Grant Agreement and those documents incorporated by reference into the Grant Agreement as set forth above (see definition of Grant Agreement).

Sponsor: A government entity and legal sponsor of the Grant Recipient that agrees pursuant to this Grant Agreement to administer and oversee implementation of this Grant Agreement and the fulfillment of the Grant Project.

Total Project Cash Costs: Sum of the Federal and local cash shares contributed toward completion of the Grant Project, excluding any In-Kind Contributions (including Third-Party In-Kind Contributions). Total Project Cash Costs are described in Sections C.3.a and C.3.b of this Grant Agreement.

GRANT AWARD AND AGREEMENT

This Grant Award and Agreement is made in accordance with Title 49 U.S.C. § 41743 and is subject to the terms and conditions of this Grant Agreement and the Assurances attached hereto and incorporated herein.

Executed this _____ day of _____, 2016.

(SEAL)

United States Department of Transportation

Brooke Chapman
Associate Director
Small Community Air Service Development
Program

ACCEPTANCE

The undersigned Sponsor agrees to accomplish each element of the Grant Project in compliance with the terms and conditions of this Grant Agreement and the Assurances attached hereto and incorporated herein.

Executed this 2nd day of September, 2016.

Santa Fe Municipal Airport
Santa Fe, New Mexico

(SEAL)

By: 

Signature of Sponsor's Designated Official Representative

Brian K. Snyder
Printed Name

City Manager
Title

Attest: Celestean Valentin

Title: Notary Public

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Zachary Shandler, acting as Attorney for the Sponsor do hereby certify:
That in my opinion the Sponsor is a government entity empowered to enter into the
foregoing Grant Agreement under the laws of the State (or Commonwealth) of San Jose,
New Mexico. Further, I have examined the foregoing Grant Agreement, and the
actions taken by said Sponsor relating thereto, and find that the acceptance thereof by
said Sponsor and Sponsor's official representative has been duly authorized and that the
execution thereof is in all respects due and proper and in accordance with the laws of the
said State (or Commonwealth) and Title 49 of the U.S. Code. In addition, for grants
involving projects to be carried out on property not owned by the Sponsor or where
Sponsor may make payments to others, there are no legal impediments that will prevent
full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement,
including the Assurances, constitutes a legal and binding obligation of the Sponsor in
accordance with the terms thereof.

Zachary Shandler Asst City Attorney
Signature of Sponsor's Attorney

Zachary Shandler
Printed or Typed Name

9/2/16

Date

505 - 955 - 6303

Telephone

ATTACHMENT B

GRANT ASSURANCES

TITLE VI ASSURANCE

(Implementing Title VI of the Civil Rights Act of 1964, as amended)

ASSURANCE CONCERNING NONDISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS AND ACTIVITIES RECEIVING OR BENEFITING FROM FEDERAL FINANCIAL ASSISTANCE

**(Implementing the Rehabilitation Act of 1973, as amended, and the Americans With Disabilities
Act, as amended)**

49 C.F.R. Parts 21, 25, 27, 37 and 38

The United States Department of Transportation (USDOT)

Standard Title VI/Non-Discrimination Assurances

DOT Order No. 1050.2A

By signing and submitting the Grant Application and by entering into the Grant Agreement under the Small Community Air Service Development Program (SCASDP), the Grantee (also herein referred to as the "Recipient"), **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), the Grantee is subject to and will comply with the following:

Statutory/Regulatory Authorities

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 C.F.R. Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

General Assurances

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity," for which the Recipient receives Federal financial assistance from DOT.

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

Specific Assurances

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted SCASDP Discretionary Grant program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in §§ 21.23 (b) and 21.23 (e) of 49 C.F.R. § 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the SCASDP Discretionary Grant and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

"The Grantee, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.

4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
 - a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:
 - a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
 - b. the period during which the Recipient retains ownership or possession of the property.
9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the Grantee also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all

applicable provisions governing DOT's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by DOT. You must keep records, reports, and submit the material for review upon request to DOT, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The Grantee gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the SCASDP Discretionary Grants Program. This ASSURANCE is binding on the Grantee, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors, transferees, successors in interest, and any other participants in the SCASDP Discretionary Grants Program.

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or DOT to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a

contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or DOT, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or DOT may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or DOT may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX B

CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Assurance 4:

NOW, THEREFORE, the U.S. Department of Transportation as authorized by law and upon the condition that the Grantee will accept title to the lands and maintain the project constructed thereon in accordance with and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Grantee all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto Grantee and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or

structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the Grantee, its successors and assigns.

The Grantee, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]* (2) that the Grantee will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

APPENDIX C

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Grantee pursuant to the provisions of Assurance 7(a):

- A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:
 1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

- B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, Grantee will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*
- C. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the Grantee will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the Grantee and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX D

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Grantee pursuant to the provisions of Assurance 7(b):

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.
- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Grantee will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*
- C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Grantee will there upon revert to and vest in and become the absolute property of Grantee and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX E


During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. Parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898 (as amended by Executive Order 12948), Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes

discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq*);
- 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964).


Signature

9-2-14
Date

City Manager
Title

City of Santa Fe
Grant Recipient

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS**

CERTIFICATION REGARDING INFLUENCING ACTIVITIES

**Certification for Contracts, Grants, Loans,
and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

J. K. H.

Date

9-2-14

Title

City Manager

Grant Recipient

City of Santa Fe

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
IN THE PERFORMANCE OF SMALL COMMUNITY AIR SERVICE PURSUANT TO GRANT AWARD UNDER
THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM**

A. The grant recipient certifies that it will, or will continue, to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grant recipient's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about--
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grant recipient's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of work supported by the grant award be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the grant award, the employee will--
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Office of Aviation Analysis. Notice shall include the order number of the grant award;
- (f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grant recipient *may*, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of air service pursuant to the grant award, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other worksites where work is performed that is supported by the grant award.

Check [] if there are workplaces on file that are not identified here.

Grant Recipient Signature

Date

9-2-14

OFFICE OF THE SECRETARY OF TRANSPORTATION

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

2 C.F.R. Part 1200, 2 C.F.R. Part 180

Instructions for Certification

1. By entering in the SCASDP Grant Agreement and signing below, the Sponsor is providing the assurance and certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Sponsor shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the Sponsor to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the Sponsor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The Sponsor shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the Sponsor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The Sponsor agrees that it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless authorized by the department or agency entering into this transaction.
7. The Sponsor further agrees that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," available from the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its

principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters --
Primary Covered Transactions**

(1) The Sponsor certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this Grant Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this Grant Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the Sponsor is unable to certify to any of the statements in this certification, such Sponsor shall attach an explanation to this proposal.


Name

City of Santa Fe
Affiliation

City Manager
Title

9-2-14
Date

**OFFICE OF THE SECRETARY OF TRANSPORTATION
CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED
TRANSACTIONS**

Instructions for Certification

1. By entering into the SCASDP Grant Agreement and signing below, the Sponsor is providing the assurance and certification set out below.
2. The certification required by a prospective lower tier participant is a material representation of fact upon which reliance is placed when a transaction is entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which the certification is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant shall agree that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant shall further agree that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions

By entering into the SCASDP Grant Agreement and signing below, the Sponsor is providing the assurance set forth in paragraphs (1) and (2) below.

(1) The Sponsor shall ensure that any prospective lower tier participant certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Grant Project by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in the certification, the Sponsor shall ensure that such lower tier prospective participant attaches an explanation to the certification.


Name

City Manager
Title

City of Santa Fe
Affiliation

9-2-14
Date

REQUIREMENTS REGARDING DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW

As required by sections 744 and 745 of Division E of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions in subsequent appropriations acts, the funds provided under this award shall not be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that:

(1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless an agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government; or

(2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless an agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

The Recipient therefore agrees:

1. **Definitions.** For the purposes of this exhibit, the following definitions apply:

“Covered Transaction” means a transaction that uses any funds under this award and that is a contract, memorandum of understanding, cooperative agreement, grant, loan, or loan guarantee.

“Felony Conviction” means a conviction within the preceding 24 months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the United States Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. 3559.

“Participant” means the Recipient, an entity who submits a proposal for a Covered Transaction, or an entity who enters into a Covered Transaction.

“Tax Delinquency” means an unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2. **Mandatory Check in the System for Award Management.** Before entering a Covered Transaction with another entity, a Participant shall check the System for Award Management (*the “SAM”*) at <http://www.sam.gov/> for an entry describing that entity.

3. Mandatory Certifications. Before entering a Covered Transaction with another entity, a Participant shall require that entity to:

- (1) Certify whether the entity has a Tax Delinquency; and
- (2) Certify whether the entity has a Felony Conviction.

4 Prohibition. If

- (1) the SAM entry for an entity indicates that the entity has a Tax Delinquency or a Federal Conviction;
- (2) an entity provides an affirmative response to either certification in section 3; or
- (3) an entity's certification under section 3 was inaccurate when made or became inaccurate after being made

then a Participant shall not enter or continue a Covered Transaction with that entity unless the USDOT has determined in writing that suspension or debarment of that entity are not necessary to protect the interests of the Government.

5. Mandatory Notice to the USDOT.

- (a) If the SAM entry for a Participant indicates that the Participant has a Tax Delinquency or a Felony Conviction, the Recipient shall notify the USDOT in writing of that entry.
- (b) If a Participant provides an affirmative response to either certification in section 1, the Recipient shall notify the USDOT in writing of that affirmative response.
- (c) If the Recipient knows that a Participant's certification under section 1 was inaccurate when made or became inaccurate after being made, the Recipient shall notify the USDOT in writing of that inaccuracy.

6. Flow Down. For all Covered Transactions, including all tiers of subcontracts and subawards, the Recipient shall:

- (1) require the SAM check in section 2;
- (2) require the certifications in section 3;
- (3) include the prohibition in section 4; and
- (4) require all Participants to notify the Recipient in writing of any information that would require the Recipient to notify the USDOT under section 5.

CITY OF SANTA FE:

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelly A. Brennan Ass't City Attorney for
KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

Oscar Rodriguez 9-2-2016
OSCAR RODRIGUEZ, FINANCE DIRECTOR

Business Unit/Line Item:
