



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 17, 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 10.13.16 TIME 3:36pm

SERVED BY Yolanda Green

RECEIVED BY Carmelina Spears

Regular Finance Committee Meeting – October 4, 2016

CONSENT AGENDA

6. Request for Approval of Agreement in the Amount of \$793,681 – Direct Purchase of Services for Senior Division; North Central New Mexico Economic Development District Non-Metro Agency on Aging. (Ron Vialpando)
7. Request for Approval of Professional Services Agreement and Budget Adjustment in the Amount of \$105,957 – Develop Parks and Recreation Master Plan; Sites Southwest. (Robert Carter)
8. Request for Approval of Procurement Under State Price Agreement – Water Service Connection Equipment, Water Meters and Supplies for Water Division. (Michael Moya)
 - Baker Utility Supply Corp. \$216,784.38
 - HD Supply, Inc. \$421,780.72
 - Winnelson \$68,610.79
 - Ferguson Enterprises, Inc.
 - New Mexico Meters, LLC
 - Water Meters of New Mexico
9. Request for Approval of Professional Services Agreement in the Amount of \$88,383 – Water Distribution System Leak Detection Project for Water Division (RFP #16/52/P); Pure Operations, LLC d/b/a Pure Ops. (Michael Moya)
10. Request for Approval of Change Order No. 1 to Contract (Bid No. 16/10/B) in the Amount of \$29,033.17 – Adjustments to Water Main Replacements Project; Sub Surface Contracting, Inc. (Bill Huey)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 17, 2016 – 5:00 P.M.

11. Request for Approval of Professional Services Agreement in the Amount of \$120,000 – Arts Education Program for Santa Fe Public School Students (RFP #17/10/P); Partners in Education Foundation for the Public Schools. (Debra Garcia y Griego)
12. City-Wide Annual Support and Maintenance Renewal Services. (Boguslaw Malecki)
 - A. Request for Approval of Exempt Procurement and Support Services Agreement in the Amount of \$122,987.05 – Annual Support and Maintenance for Land Use and Police Departments; SunGard Public Sector, LLC.
 - B. Request for Approval of Exempt Procurement and Support Services Agreement in the Amount of \$48,060 – Annual Support and Maintenance for Land Use and Public Utilities Departments; Selectron Technologies.
13. Request for Approval of Exempt Procurement and Maintenance Agreement in the Amount of \$29,300 – GIS Software Maintenance Agreement for ITT Department; Environmental Systems Research Institute, Inc. (Boduslaw Malecki)
14. Request for Approval of Memorandum of Agreement in the Amount of \$100,000 – Collaboration Project to Modernize the Public Safety Land Mobile Radio System per Direction of the Regional Emergency Communication Center Board of Directors (RFP #2016-0239-RECC; Santa Fe County. (Larry Worstell)
15. City Data Center Modernization Project (RFP #16/39/P). (Larry Worstell)
 - A. Request for Approval of Equipment Lease Agreement in the Amount of \$460,986.12 – Hardware; Dell Financial Services LLC.
 - B. Request for Approval of Professional Services Agreement in the Amount of \$167,881.75 – Software and Implementation Services; Expert Computer Solutions.
16. Request for Approval of a Resolution Relating to a Request for Approval of First Quarter Budget Adjustments for Fiscal Year 2016/2017 ending September 30, 2016. (Andrew Hopkins)
17. Request for Approval of 2017 Finance Committee Meetings. (Adam Johnson)



Agenda

**FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 17, 2016 – 5:00 P.M.**

18. Request for Approval of an Ordinance Amending Subsection 14-8.10 of the Land Development Code to Permit Placement and Construction of Electronic Reader Board Signs to Facilitate Wayfinding and the Dissemination of Information in Real Time on Local Services, Programs, Activities and Events in Accordance With a City Program; and Establishing Certain Guidelines on Electronic Reader Board Signs. (Mayor Gonzales) (Marcos Martinez)

Committee Review:

| | |
|---|----------|
| Public Works Committee (denied) | 09/12/16 |
| City Council (request to publish) (postponed) | 09/14/16 |
| City Business Quality of Life Committee (scheduled) | 10/13/16 |
| City Council (request to publish) | 10/13/16 |
| Planning Commission (scheduled) | 11/03/16 |
| Historic Design Review Board (scheduled) | 10/25/16 |
| City Council (public hearing) | 11/09/16 |

Fiscal Impact – Yes - Revenue from installing electronic reader boards will be determined by the agreements with the vendors. Generally, the City would receive compensation for the use and occupancy of the ROW.

19. Request for Approval of an Ordinance Amending Subsection 18-1.4 to Include Businesses Selling Goods Represented as Native American Within the Native American Arts or Crafts District; and Creating a New Subsection 18-5.29 to Establish the Native American Arts or Crafts District, and Establishing Regulations for Sale of Native American Arts or Crafts Within the District. (Mayor Gonzales, Councilors Ives and Lindell) (Debra Garcia y Griego)

Committee Review:

| | |
|---|----------|
| Arts Commission (approved) | 05/09/16 |
| City Business Quality of Life Committee (postponed) | 05/11/16 |
| City Council (request to publish) (approved) | 05/11/16 |
| City Business Quality of Life Committee (scheduled) | 10/13/16 |
| City Council (public hearing) | 10/26/16 |

Fiscal Impact – Yes - Expenditures: FY 16/17 - \$5,000; FY 17/18 - \$2,000 for other operating costs Revenues: FY 16/17 - \$5,000; FY 17/18 - \$2,000 from Lodgers Tax.

20. Request for Approval of an Ordinance Amending Subsection 2-1.2 Relating to the Compensation of the Mayor; and Establishing an Independent Salary Commission to Set the Mayor's Salary Effective March 19, 2018. (Councilors Ives, Lindell, Maestas, Dominguez, Villarreal and Rivera) (Lynette Trujillo)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 17, 2016 – 5:00 P.M.

Committee Review:

City Council (request to publish)
City Council (public hearing)

10/13/16
11/09/16

Fiscal Impact – No

END OF CONSENT AGENDA

21. MATTERS FROM STAFF:

- Update on City of Santa Fe Gross Receipts Tax through July 2016.
(Christina Keyes)
- Information on Consideration of Concept of a City-wide Full Cost-of-Service Model through Implementation of an Internal Service Cost Allocation Plan.
(Andrew Hopkins)

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
Wednesday, October 17, 2016**

| <u>ITEM</u> | <u>ACTION</u> | <u>PAGE</u> |
|--|----------------------|--------------------|
| CALL TO ORDER & ROLL CALL | Quorum | 1 |
| APPROVAL OF AGENDA | Approved [amended] | 1-2 |
| APPROVAL OF CONSENT AGENDA | Approved [amended] | 2 |
| CONSENT AGENDA LISTING | | 2-4 |
| APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – OCTOBER 4, 2016 | Approved | 4 |
| <u>CONSENT CALENDAR DISCUSSION</u> | | |
| REQUEST FOR APPROVAL OF AGREEMENT IN THE AMOUNT OF \$793,681 – DIRECT PURCHASE OF SERVICES FOR SENIOR DIVISION; NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT NON-METRO AGENCY ON AGING | Approved | 4-5 |
| REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AND BUDGET ADJUSTMENT IN THE AMOUNT OF \$105,957 – DEVELOP PARKS AND RECREATION MASTER PLAN; SITES SOUTHWEST | Approved | 5-6 |
| REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$120,000 – ARTS EDUCATION PROGRAM FOR SANTA FE PUBLIC SCHOOL STUDENTS (RFP #17/10/P); PARTNERS IN EDUCATION FOUNDATION FOR THE PUBLIC SCHOOLS | Approved | 7 |
| REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND MAINTENANCE AGREEMENT IN THE AMOUNT OF \$29,300 – GIS SOFTWARE MAINTENANCE AGREEMENT FOR ITT DEPARTMENT; ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. | Approved | 7-8 |

| <u>ITEM</u> | <u>ACTION</u> | <u>PAGE</u> |
|---|-----------------|--------------|
| <u>CITY DATA CENTER MODERNIZATION PROJECT (RFP #16/39/P)</u> | | |
| REQUEST FOR APPROVAL OF EQUIPMENT LEASE AGREEMENT IN THE AMOUNT OF \$460,986.12 – HARDWARE; DELL FINANCIAL SERVICES, LLC. | Approved | 8-12 |
| REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$167,881.75 – SOFTWARE AND IMPLEMENTATION SERVICES; EXPERT COMPUTER SOLUTIONS | Approved | 8-12 |
| REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FIRST QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2016/2017 ENDING SEPTEMBER 30, 2016 | Approved | 12-14 |
| REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 18-1.4, TO INCLUDE BUSINESSES SELLING GOODS REPRESENTED AS NATIVE AMERICAN WITHIN THE NATIVE AMERICAN ARTS OR CRAFTS DISTRICT; AND CREATING A NEW SUBSECTION 18-5.29, TO ESTABLISH THE NATIVE AMERICAN ARTS OR CRAFTS DISTRICT, AND ESTABLISHING REGULATIONS FOR SALE OF NATIVE AMERICAN ARTS OR CRAFTS WITHIN THE DISTRICT | Approved | 15-18 |
| REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 2-1.2, RELATING TO THE COMPENSATION OF THE MAYOR; AND ESTABLISHING AN INDEPENDENT SALARY COMMISSION TO SET THE MAYOR'S SALARY EFFECTIVE MARCH 19, 2018 | Approved | 18-20 |
| ***** END OF CONSENT CALENDAR DISCUSSION ***** | | |

| <u>ITEM</u> | <u>ACTION</u> | <u>PAGE</u> |
|---|------------------------|-------------|
| <u>MATTERS FROM STAFF</u> | | |
| UPDATE ON CITY OF SANTA FE GROSS RECEIPTS TAX THROUGH JULY 2016 | Information/discussion | 20-22 |
| INFORMATION ON CONSIDERATION OF CONCEPT OF A CITY-WIDE, FULL COST-OF-SERVICE MODEL THROUGH IMPLEMENTATION OF AN INTERNAL SERVICE COST ALLOCATION PLAN | Information/discussion | 22-23 |
| MATTERS FROM THE COMMITTEE | Information/discussion | 23-25 |
| ADJOURN | | 25 |

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, October 17, 2016**

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Councilor Peter N. Ives, Acting Chair, at approximately 5:00 p.m., on Monday, October 17, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Peter N. Ives, Acting Chair
Councilor Mike Harris
Councilor Renee Villarreal

MEMBERS EXCUSED:

Carmichael A. Dominguez, Chair
Councilor Signe I. Lindell

OTHERS ATTENDING:

Adam Johnson, Acting 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

Mr. Johnson said there is a handout on Item #8 handout for a different caption.

Mr. Johnson said there is a Replacement Memorandum for Item #17, noting the first Committee meeting in 2017, is Tuesday, January 3, 2017.

Mr. Johnson said Item #18 is postponed to the Finance Committee meeting of December 5, 2016, noting they are still working through the Committee process for approval for the kiosk connected to that project.

Acting Chair Ives said it might be important to have at least one additional public hearing, commenting the issues tend to be ones that people want to speak about. He said we will try to determine when that might happen, saying he doesn't mind doing that before the Public Works Committee.

Councilor Harris said at the Business & Quality of Life Committee, there were members who wanted clarifying language about what the Resolution was to accomplish. He said he just spoke with Mr. Guillen and he will be working with the members to get a sense of what came from that Committee and report it back to Mr. Guillen. He said when it is reintroduced it will be more clear.

Mr. Johnson said, responding to Councilor Villarreal, this item would come back to the Finance Committee on December 5, 2016.

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

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

A Replacement Memorandum dated October 11, 2016, regarding Item #17, is incorporated herewith to these minutes as Exhibit "1."

A revised caption for Item #8, is incorporated herewith to these minutes as Exhibit "2."

6. ***[Removed for discussion by Councilor Harris]***

7. ***[Removed for discussion by Councilor Harris]***

8. ~~REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – WATER SERVICE CONNECTION EQUIPMENT, WATER METERS AND SUPPLIES FOR WATER DIVISION-~~ REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT NOS. 60-000-15-00030, 60-000-16-00067, 50-000-1500052, IN AN AMOUNT TO EXCEED \$50,000 PER VENDOR FOR WATER SERVICE CONNECTIONS, EQUIPMENT, WATER METERS AND SUPPLIES; BAKER UTILITY SUPPLY CORP., HD SUPPLY, INC., ALBUQUERQUE WINNELSON, NEW MEXICO METERS, LLC, FERGUSON ENTERPRISES, INC., AND WATER METERS OF NEW MEXICO. (MICHAEL MOYA)
 - ~~• BAKER UTILITY SUPPLY CORP - \$216,784.38~~
 - ~~• HD SUPPLY, INC. - \$421,780.72~~
 - ~~• WINNELSON - \$68,610.79~~
 - ~~• FERGUSON ENTERPRISES, INC.~~
 - ~~• NEW MEXICO METERS, LLC.~~
 - ~~• WATER METERS OF NEW MEXICO~~
9. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$88,383 – WATER DISTRIBUTION SYSTEM LEAK DETECTION PROJECT FOR WATER DIVISION (RFP #16/52/P); PURE OPERATIONS, LLC D/B/A PURE OPS. (MICHAEL MOYA)
10. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 TO CONTRACT (BID NO. 16/10/B) IN THE AMOUNT OF \$29,033.17 – ADJUSTMENTS TO WATER MAIN REPLACEMENTS PROJECT; SUB SURFACE CONTRACTING, INC. (BILL HUEY)
11. *[Removed for discussion by Councilor Harris]*
12. CITY-WIDE ANNUAL SUPPORT AND MAINTENANCE RENEWAL SERVICES. (BOGUSLAW MALECKI)
 - A. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND SUPPORT SERVICES AGREEMENT IN THE AMOUNT OF \$122,987.05 – ANNUAL SUPPORT AND MAINTENANCE FOR LAND USE AND POLICE DEPARTMENTS; SUNGARD PUBLIC SECTOR, LLC.
 - B. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND SUPPORT SERVICES AGREEMENT IN THE AMOUNT OF \$48,060 – ANNUAL SUPPORT AND MAINTENANCE FOR LAND USE AND PUBLIC UTILITIES DEPARTMENTS; SELECTRON TECHNOLOGIES.
13. *[Removed for discussion by Councilor Harris]*
14. REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT IN THE AMOUNT OF \$100,000 – COLLABORATION PROJECT TO MODERNIZE THE PUBLIC SAFETY LAND MOBILE RADIO SYSTEM PER DIRECTION OF THE REGIONAL EMERGENCY COMMUNICATION CENTER BOARD OF DIRECTORS (RFP #2016-0239-RECC); SANTA FE COUNTY. (LARRY WORSTELL)
15. *[Removed for discussion by Councilor Harris]*

16. *[Removed for discussion by Councilor Harris]*
17. REQUEST FOR APPROVAL OF 2017 FINANCE COMMITTEE MEETINGS. (ADAM JOHNSON)
18. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 14-8.10 OF THE LAND DEVELOPMENT CODE TO PERMIT PLACEMENT AND CONSTRUCTION OF ELECTRONIC READER BOARD SIGNS TO FACILITATE WAYFINDING AND THE DISSEMINATION OF INFORMATION IN REAL TIME ON LOCAL SERVICES, PROGRAMS, ACTIVITIES AND EVENTS IN ACCORDANCE WITH A CITY PROGRAM; AND ESTABLISHING CERTAIN GUIDELINES ON ELECTRONIC READER BOARD SIGNS (MAYOR GONZALES). (MARCOS MARTINEZ) Committee Review: Public Works Committee (denied) 09/12/16; City Council (request to publish) (postponed) 09/14/16; City Business & Quality of Life Committee (scheduled) 10/13/16; City Council (request to publish) 10/13/16; Planning Commission (scheduled) 11/03/16; Historic Design Review Board (scheduled) 10/25/16; and City Council (public hearing) 11/09/16. Fiscal Impact – Yes. Revenue from installing electronic reader boards will be determined by the agreements with the vendors. Generally, the City would receive compensation for the use and occupancy of the ROW. This Item is postponed to the Finance Committee meeting of December 5, 2016.
19. *[Removed for discussion by Councilor Villarreal]*
20. *[Removed for discussion by Councilor Villarreal]*

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – OCTOBER 4, 2016.

MOTION: Councilor Villarreal moved, seconded by Councilor Harris, to approve the minutes of the Regular Finance Committee meeting of October 4, 2016, as presented.

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

CONSENT CALENDAR DISCUSSION

6. REQUEST FOR APPROVAL OF AGREEMENT IN THE AMOUNT OF \$793,681 – DIRECT PURCHASE OF SERVICES FOR SENIOR DIVISION; NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT NON-METRO AGENCY ON AGING. (RON VIALPANDO)

Councilor Harris, referring to packet page 8, noted there are a significant amount of federal and state dollars, and others totaling \$1,608,515. He asked if all monies are budgeted for this cycle, and Mr. Johnson said that is correct.

Councilor Harris asked the source of these funds.

Mr. Johnson said the majority of this money comes as a match from the General Fund.

Councilor Harris said during the budget it may not have been exactly \$1,608,515, we had a sense of where it was going to be and budgeted appropriately. He asked if this number is higher or lower than the budget assumption.

Mr. Johnson said the numbers are slightly less.

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

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

7. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AND BUDGET ADJUSTMENT IN THE AMOUNT OF \$105,957 – DEVELOP PARKS AND RECREATION MASTER PLAN; SITES SOUTHWEST. (ROBERT CARTER)

Councilor Harris said on packet page 30 there is a BAR. He asked if there are "Budget Adjustments," as well as "Budget Amendments."

Mr. Johnson said they are shifting to be more consistent in our nomenclature, and in this case we used Budget Amendment Resolution because we are amending the original budget that was approved by the Governing Body.

Councilor Harris said then if he is looking at a BAR, he is looking at an amendment. He said there seems to be an acronym that distinguish between the two.

Mr. Johnson said, "You should always be looking only at an amendment."

Councilor Harris said this is an increase to the Parks & Recreation Department of \$105,957 for the Master Plan. He said, in the Scope of Work, there are lot of activities identifying our facilities. He didn't see the deliverables, and is unclear what the deliverables would be in terms of a Master Plan. He asked will it say where we are, and where we want to be.

Mr. Thompson said yes. He said a Master Plan looks at everything you presently have, your inventory, and then at benchmarks and recommends where we should be in the next 10 years in our Parks and Recreation – what we offer, what our amenities should be, where amenities should be throughout the City and such. He said they will do the research and meeting with the public as well as do the research to see what is being done by other parks of our size in accordance with the benchmarks set forth by the NRPA in 2008 and 2014. He said this will give you something that says why we're doing things in the future.

Councilor Harris asked if they will deal with human and equipment resources, under programming and operations, or offer some opinion of what it takes to keep up with what we have as well as anything that may be anticipated.

Mr. Thompson said yes they will look at all those things at our facilities and in the community.

Councilor Harris commented that it is a very aggressive scope of work for the fee.

Councilor Harris asked if there are funds available in a budgeted line item for other consulting for situations such as this.

Mr. Johnson said yes, noting that Code is unique to the term "Other Consulting," to distinguish different service contracts.

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

DISCUSSION: Acting Chair Ives asked if this will include locating bathrooms in any parks or other places in Santa Fe.

Mr. Thompson said they will be looking at all the amenities. He said they will meet with them once the contract is finalized and part of those issues will be brought up.

Acting Chair Ives said we have asked the City Manager to report back to us within 60 days on those issues, and would ask Mr. Thompson to coordinate with him on that issue, noting the Plaza is part of our park space.

Mr. Thompson said he is working with the City Manager on this.

Acting Chair Ives said he presumes parks maintenance will be a key feature of this report, and Mr. Thompson said yes.

Acting Chair Ives noted adopted medians are under Santa Fe Beautiful, and those that have not been adopted are under Parks and Recreation.

Mr. Thompson said it would be included, noting he is working closely with Keep Santa Fe Beautiful on developing the median plan spearheaded by Councilor Trujillo and the Acting Chair.

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

11. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$120,000 – ARTS EDUCATION PROGRAM FOR SANTA FE PUBLIC SCHOOL STUDENTS (RFP #17/10/P); PARTNERS IN EDUCATION FOUNDATION FOR THE PUBLIC SCHOOLS. (DEBRA GARCIA Y GRIEGO)

Councilor Harris said the proposed Agreement shows no professional liability insurance, which is called for in a standard Professional Services Agreement. He said we need to have a discussion with Risk Management to determine who needs this insurance and who doesn't.

Mr. Johnson said he would echo the Councilor's comment and concern about clarifying the instances when different insurance requirements are composed. He doesn't see a consistent application, noting there are various reasons which are linked oftentimes to the additional expenses that may have been unaffordable in a previous period of less revenue. He said he is interested in cleaning that up and making sure it is consistent about when insurance is needed and which types of insurance are needed.

Councilor Harris talked about his experience with this Foundation. He said we need to be cautious in waiving the requirement for professional liability. He understands there is a waiver that is available, and we need to check on that and follow up.

Mr. Johnson said he will advance that to the front of the agenda and improve on that process.

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

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

13. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT AND MAINTENANCE AGREEMENT IN THE AMOUNT OF \$29,300 – GIS SOFTWARE MAINTENANCE AGREEMENT FOR ITT DEPARTMENT; ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. (BOGUSLAW MALECKI)

Councilor Harris said has the same questions on Items #12 and #13, and wants to understand this better. He asked if there will be ongoing expenses for these updates.

Boguslaw Malecki, ITT Enterprise Manager, said regarding the Sun Guard support maintenance renewal service, it is in relation to the Legacy System currently being run on a platform that we are moving forward to replace with a suite of ERP projects. It will be coming to an end in the next two years, and we are aiming to have that completely done or on the way out by the end of the next calendar year.

Councilor Harris asked about Selectron.

Mr. Malecki said Selectron is a little less clear, because it is a solution they believe the new ERP will provide, but those requirements still aren't clear and that the replacement is going to happen.

Councilor Harris asked about Environmental Systems Research Institute.

Mr. Malecki said that solution will remain indefinitely, because those particular systems, clients, servers are separate to the ERP solutions they plan to implement. He said they are an essential partner in those operations, so those would be separate and ongoing into the future.

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

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

15. CITY DATA CENTER MODERNIZATION PROJECT (RFP #16/39/P). (LARRY WORSTELL)

- A. REQUEST FOR APPROVAL OF EQUIPMENT LEASE AGREEMENT IN THE AMOUNT OF \$460,986.12 – HARDWARE; DELL FINANCIAL SERVICES, LLC.**
- B. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$167,881.75 – SOFTWARE AND IMPLEMENTATION SERVICES; EXPERT COMPUTER SOLUTIONS.**

Councilor Harris said on packet page 50 there is a Workers Compensation insurance certificate for Expert Computer Solutions. He said it is an ITT implementation agreement, but he found no insurance requirement in that agreement. He asked why there is no insurance other than workers compensation.

Larry Worstell, ITT Infrastructure Manager, said this agreement was approved by City Legal, so he didn't check that. He said we asked ECS for its insurance certificate which it provided, which he assumed was all that was necessary.

Responding to Councilor Harris, Mr. Johnson said the absence of other insurance stands out to him. He said he is sure they carry a general liability policy.

Renee Martinez, Director, ITT Department, said she believes it is an oversight and she is glad he caught that, and it is something we need to correct.

Councilor Harris said between now and when this goes to the Governing Body, we need to look at that and perhaps follow-up with Legal on the agreement itself, reiterating he saw nothing in the agreement about an insurance requirement.

Ms. Martinez said it usually is required in the RFP and to include it in the packet.

Councilor Harris said the RFP wasn't attached, and unless the RFP is referenced in the agreement, there is a gap, commenting the agreement should be much more specific on insurance, and asked her to check on this with Legal.

Ms. Martinez said she will do so.

Councilor Harris asked how many responded to the RFP.

Mr. Worstell said there were 8.

Councilor Harris said he saw no RFP, scoring and who was on the Committee. He said this is a major effort. He asked Mr. Worstell if he was on the selection committee, and Mr. Worstell said yes.

Mr. Worstell said the primary reason the Committee went with ECS was because of the product they were presenting, which is a [inaudible] Dell mix. ECS had experience with this and proposed it. He said they were looking for a hyper converge project, a condensation of all processors, storage and networking – a state of the art network hardware and software. He noted ECS was rated the highest by Gardner. He said all 3 finalists came in, made presentations and answered questions. He said the people on the review board were all ITT network operations team members, which 100% chose [inaudible] and Dell. ECS is a qualified Dell reseller from Santa Fe which has done work for us previously, and currently is doing work at City Hall. He said they answered our questions the most completely.

Councilor Harris noted Article 15 Independent Verification and Validation, packet page 35, and asked if that is anticipated.

Ms. Martinez said that is used for professional services engagements that are long in length and for very large projects. This is an installation of hardware which won't take a lot of time, and because the organization has a lot of expertise, it shouldn't be complicated, and the reason they chose not to have IV and V. She said there will be an external project manager who will play this role.

Councilor Harris said he accepts her recommendation, but is glad to hear it will be a part of the ERP process.

Councilor Harris asked if we are on track in terms of the schedule.

Ms. Martinez said yes, Phase 1 is kicking off right now. She said Cronus has assigned a project team and a project manager, and has asked for a kick-off call with the City's team this week, so she, Adam and Minette will be on the phone with the Cronus Project Manager, and move forward from there. This is a project that will be running concurrently.

Responding to Councilor Harris, Ms. Martinez said the beneficial thing about moving to a commercial data center that is not on premise is that you basically pay for the footprint that you have in a data center. As that footprint shrinks or expands, you pay only for what you are using.

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

DISCUSSION: Acting Chair Ives asked what warranties would apply in the event the performance isn't to specifications, asking the specifications for the equipment and software.

Mr. Worstell said the performance, even if off-site, will increase for several reasons. He said with a hyper-converge model, you aren't going between two computer devices, it's all in one box. So you have what we call a bus that can go up to 1,000 megabytes, or 1 gigabyte, but across networks it could be substantially lower. He said the compute speed will increase. The other advantage is that the hardware also includes all of the new network state of the art Sysco networking equipment. This allows increased speed and compute power, as well as increases security.

Acting Chair Ives asked if we are getting up-time warranties.

Mr. Worstell said yes, noting hardware is covered for 3 years, the term of the lease. If there is a hardware issue, they ship us another one overnight.

Acting Chair Ives asked when they are out of contract in terms of availability of the system.

Mr. Worstell said it will be for the 3 years of the lease.

Acting Chair Ives said it will be up 95% of the time, asking if they offer anything like that.

Mr. Worstell said if it goes down, and it is a hardware or software we purchased, it is replaced immediately. He said the network staying up is part of the purchase, if it is going down repetitively, they replace it, noting it is shipped and installed free and the original warranty is intact.

Acting Chair Ives asked where the backup will be housed off site from the City.

Mr. Worstell said there are two different layers of backup: one is an immediate near which is mirrored constantly for the original data. Secondly there is a backup that also is virtual, that allows you to use the same hardware to back it up. The third element is the disaster recovery site which is included which will back up all our files, phones and email. If it is down more than 5 minutes, depending on the situation, it immediately takes over and runs all of our critical processes.

Acting Chair Ives said then we are leasing off-site servers.

Mr. Worstell said this is a lease, with a \$1 buyout at the end. Typically, you would hold onto this equipment for 5 or more years. He said this is also the network equipment – the switches and firewalls connecting us to the outside world. He said, regarding disaster recovery, they did a disaster recovery study in February and "determined what we could not live without for more than 5 minutes," and decided that is what would be covered in disaster recovery. He said a lot of those responding to the RFP who were disqualified or weren't chosen, is because they proposed a complete mirror, which we don't need. He said it is also more expensive and would add another \$200,000 to the hardware cost.

Acting Chair Ives asked, since there isn't a complete mirror, if that means there are various aspects of the City's data that we don't feel we need to recover.

Mr. Worstell said in the disaster recovery workshop they interviewed every department, and came up with what people have to have. However, the backup will still be there, as well as the restoration process. He said if both networks at our primary go down, we can go to our secondary of disaster recovery, and pull out the email, all of our file servers with all documents and shared map drives, and our phone system – phones will remain up.

Acting Chair Ives asked if we have chosen not to put that into disaster recovery.

Mr. Worstell said there are some applications “that they’ve said, well we can live without, that are sitting on certain servers.” He said the out-looking website will be available because “we don’t host that. The public website will be available.” He said the internal website wasn’t put on the list. He said, again, this is for a temporary outage and we bring it back up.

Acting Chair Ives said he is interested in having an off-line discussion about what, if any, systems we don’t consider critical enough to the subject to disaster recovery.

Mr. Worstell said everything is critical, but there are some things you can live without for 1-2 hours.

Acting Chair Ives said if there is a major blow to the primary system and it gets wiped, and this can happen at a data center, notwithstanding the best of security, disaster recovery may be the only place, unless you’re talking about digging up hard copy documents at City Hall, and the goal is to move away from that.

Acting Chair Ives asked if all of this, in a decisional context, has been approved by the City Attorney – the disaster recovery plan, what we do and don’t keep.

Mr. Worstell said he is unsure, but doesn’t think so. He said it is a documented plan, but “I have not presented it formally to the City Attorney.”

Acting Chair Ives said, given that we may not be sending to disaster recovery the full suite of data from the City, it has been indicated there are some non-critical functions. He asked what is standard for public institutions such as the City if we didn’t keep something in disaster recovery and suffered a loss of the servers at the data center where the primary is kept, and we got into litigation. He said if you can’t produce documents as part of discovery there will be challenges. He wants to make sure Legal is comfortable that we aren’t dealing with something where we could fall into something that causes the spoilation of evidence or fail to comply with standard practices.

Ms. Martinez said she will be happy to share the disaster recovery plan with him, and other Committee members who are interested. She said Legal was involved in the disaster recovery plan, but she wants to be sure they comfortable with staff decisions related to recovery time and point.

Acting Chair Ives said we do have a Document Retention Policy, which he hopes is incorporated into this as well.

Mr. Worstel said part of the plan is to archive all existing backups at a separate location. He said, "So everything, from the moment we move the data center, will be archived as an extra backup.... It will not be Cloud, but actually will be on hard drives and some of it is tape."

Acting Chair Ives said then we basically are using what have now.

Mr. Worstel said yes, noting all backups will be retained, and will not be not thrown away.

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

16. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FIRST QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2016/2017 ENDING SEPTEMBER 30, 2016. (ANDREW HOPKINS)

Councilor Harris said he spoke with Mr. Hopkins earlier and got many of his questions answered, but he would like Mr. Hopkins to present an overview of the Adjustments Not Previously Approved By City Council on packet page 10.

Mr. Hopkins said this entire packet is meant to bring you up to speed on everything that has happened over the last quarter – what you have approved and the things you have not yet approved for whatever reason – and bring that all into one Resolution we can submit to DFA, as required, to get our Quarterly Budget approved. He said Local Government Division of DFA requires it to be submitted by Resolution, approving all budget changes that have occurred over the past quarter.

Mr. Hopkins continued, saying many of the adjustments on packet page 10 are by-products of the fact that we need to go ahead and set up an original budget for grants because there are personnel and other items being charged in those budgets with ongoing operations, but we don't know exactly what the final amounts will be until the contracts come back and are executed. He said we really are just catching up to the final award amounts in those cases.

Mr. Hopkins continued, saying in Subsection B, all of the adjustments are relatively minor or technical adjustments, corrections and such. He said if it is a new program or a significant new appropriation of funds, that will brought back to the City Council for approval as a separate item, as well as going through the relevant committees for approval.

Councilor Harris asked the rationale for doing a BAR for Parks & Recreation.

Mr. Johnson said our nomenclature isn't consistent across the City, but it should actually read that it is an amendment as well. He said this form has been used by the Budget Office, and we have interchanged "Amendment" and "Adjustment." This should say Amendment Not Previously Approved by Council.

Mr. Johnson continued, saying to add to Mr. Hopkins' presentation, all items of \$50,000 or less allowed to be approved by the City Manager, are required by Code to still come through. So all of those are included. He said it is also to streamline the process so we don't load the agenda with items previously approved by the Governing Body at a policy level. He said everything has to be approved by the Governing Body.

Councilor Harris asked if we will see this information on a monthly basis.

Mr. Johnson said this is the First Quarterly Report for DFA.

Responding to Councilor Harris, Mr. Hopkins said you will see it on a quarterly basis, noting these are for all the budget amendments that have occurred, July 1, 2016 through September 30, 2016.

Councilor Villarreal said this helped to clarify the grant requirements, although we don't know what it will offset. She said there are a few items which aren't grants, one of which is an Appropriation for a Transit Bike Share Program. She said we didn't see that because it was less than \$50,000, but the GRTs will be used for this program.

Mr. Hopkins and Mr. Johnson said that is correct. Mr. Johnson said it was a request to fund the bikeshare program, and it met the threshold requirements of Code for the City Manager's approval, and went through that process and approved it in that manner.

Councilor Villarreal asked if it was a match program.

Mr. Johnson said in this case he doesn't believe it is a match specifically to a program, it is a program that the City itself has.

Councilor Villarreal said she thought they were trying to develop it and were seeking matching funds.

Mr. Johnson said he will follow up on that and get back with her.

Councilor Villarreal said there are a few things which she can discuss offline. She said she is unsure of the funding source for some of them, asking the source of funding for Patrick Smith Park.

Mr. Hopkins said in many cases, it is funding which was appropriated in prior year, in many cases from bonds, but from grants as well. However, it may take 2-4 years for the project to spend all of that revenue, so in many cases, we are reappropriating for the current year, a multi-year project, grants, bonds and such that can stretch across multiple years.

Mr. Johnson said in this case, that is cash bond balance.

Councilor Villarreal suggested perhaps she and Mr. Hopkins can chat off-line, so she "can get clarity on where exactly these are coming from."

Mr. Hopkins said he would be happy to do so.

Acting Chair Ives said he understood we would take care of the reauthorization as part of the budgetary process, and asked if we are talking about doing it now in the first quarter because we didn't accomplish it.

Mr. Johnson said we accomplished much, but not all. He said it all was done on external spread sheets. He said once approved, they had to insert all of that information into the system once approved by the Council. He said in many case they were able to pick up and budget appropriately the various fund balances, and various transfers dedicated to funding the Capital Improvement in whole. However, the goal for this year is that the Capital budget will be presented in the way the Operating Budget was, and will be input into the system and loaded in advance. He said the new process does not allow for an automatic carry-over, so they have to do estimating for the spend-down between March and the end of the fiscal year. He said, "So yes, there will always be an adjustment on the other side to tie back to that activity."

Acting Chair Ives thanked staff for including which Council meeting resulted in the amendments. He said on packet page 7, line 43034, it indicates Council approval on May 25, 2016, so there is Council approval in the last fiscal year, and asked the reason for the delay.

Mr. Johnson said the total budget, capital and operating, was approved May 25, 2016, in the prior fiscal year, for the year we currently are in. He said we had the Governing Body approval to load them, and took the additional step to make sure it was on this report for transparency, to indicate it would come back to the Governing Body for all changes made once the budget was approved. He said all of this data was entered as an adjustment to the original budget that was presented at the Operating Budget, and was beyond July 1, 2016 when it was entered, and therefore an amendment to the budget. He said the consistency is that this is all CIP funding and the reason it is shown in this fashion.

Acting Chair Ives said then that shouldn't happen again.

Mr. Johnson said what you will see in the future will just be staff tying out to the changes in the activity rather than the load of the whole budget.

Councilor Harris said he went back to those minutes and looked at that reference, and having that reference there is great.

Mr. Hopkins said one of the reasons for the delay in loading some of that this year, was due to the short time frame we had to certify our budget to DFA. He said the items were approved, staff just didn't have time to get them into the system correctly.

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

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

19. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 18-1.4, TO INCLUDE BUSINESSES SELLING GOODS REPRESENTED AS NATIVE AMERICAN WITHIN THE NATIVE AMERICAN ARTS OR CRAFTS DISTRICT; AND CREATING A NEW SUBSECTION 18-5.29, TO ESTABLISH THE NATIVE AMERICAN ARTS OR CRAFTS DISTRICT, AND ESTABLISHING REGULATIONS FOR SALE OF NATIVE AMERICAN ARTS OR CRAFTS WITHIN THE DISTRICT (MAYOR GONZALES, COUNCILORS IVES AND LINDELL) (DEBRA GARCIA Y GRIEGO) Committee Review: Arts Commission (approved) 05/09/16; City Business & Quality of Life Committee (postponed) 05/11/16; City Council (request to publish) (approved) 05/11/16; City Business and Quality of Life Committee (scheduled) 10/13/16; and City Council (public hearing) 10/26/16. Fiscal Impact – Yes. Expenditures: FY 16/17 - \$5,000; FY 17/18 - \$2,000 for other operating costs. Revenues: FY 16/17 - \$5,000; FY 17/18 - \$2,000 from Lodgers' Tax.**

Councilor Villarreal said she is in support of the Ordinance and thinks it's important for the integrity of native arts and culture in the arts and crafts sector, as well as giving legitimacy in recognizing Native artists. She asked how this will be enforced. She said, as with other things in the City, it falls under Land Use enforcement. She asked Ms. Garcia y Griego if she spoke with Land Use and asked how they see this as working in terms of how they would enforce it, and asked if it is complaint driven or who moves an issue forward if they see a potential issue – how does that work.

Ms. Garcia y Griego said she spoke with both the current Land Use Director and the previous Finance Director, but hasn't had the opportunity to speak with Mr. Johnson. She said it falls to both Land Use and Finance as a Business Registration function. She said in conversation with Lisa Martinez, Ms. Martinez indicates she anticipates it will become part of the regular check done by inspectors and officers for any kind of Code violation. She said she imagines it will be primarily complaint driven by other merchants or consumers who have purchased an item and learned that business wasn't following the letter of the law. She said at that point, it becomes a function of the Finance Department to start the process of revocation of the Business License to do business.

Ms. Garcia y Griego continued, saying merchant and consumer education for visitors and locals will be key to this. They have engaged with the local representative for the Indian Arts & Crafts Board, and she is very keen to see the City start educating pro-actively, the business owners about the State and Federal laws, and what it means to apply for this license to sell Native American arts and crafts and what the requirements are under those existing laws.

Councilor Villarreal said the FIR indicates a cost of \$5,000, and asked if that is for the stickers.

Ms. Garcia y Griego said it is for the design and production of the stickers as well as an informational card we will have at our Visitors Center, as well as the State Visitors Center, and any additional costs to change the paperwork for business licenses. She said the cost is very low, noting it should be detailed that it also includes putting this information on the CVB's website as part of the consumer education.

Councilor Villarreal asked if those monies come from Lodgers' Tax.

Ms. Garcia y Griego said yes, from the Tourism Santa Fe budget.

Councilor Villarreal asked if there was a discussion about including the cost to Code Enforcement or the Finance Department for investigation of violations.

Ms. Garcia y Griego said she spoke with both Department Directors, and neither felt there would be a significant impact on their day to day operations.

Councilor Villarreal said she just wants to make sure we can enforce this, because it is important to enforce, noting we have a lot of things on the books that are important to enforce and we don't have sufficient staff to do that. She is hoping we can figure this out, commenting perhaps the education piece will be sufficiently robust so we wouldn't have complaints of violations.

Councilor Harris said this was heard by the Business & Quality of Life Committee on Thursday for the second time, and it is much improved from the first Ordinance. He said the merchants spoke to it the first time, noting a representative from the Indian & Crafts Board was in attendance. He said it received unanimous approval. He had the same question as Councilor Villarreal regarding enforcement. He said in addition to the answer provided by Ms. Garcia y Griego, she acknowledged if there was a truly bad operator, the next step would be to go under the Federal Indian Crafts Board. He said, in her cover Memo, Ms. Garcia y Griego acknowledges it hasn't been enforced consistently, but in 2015 three individuals were prosecuted. He thinks people will take it seriously, and it is a valuable thing for the consumers. He said the merchants who won't comply are a distinct minority, but that's where we will have to get tough.

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

DISCUSSION: Acting Chair Ives asked about the distinctions between State law defining Indian Tribe and Indian versus federal law and dealing with recognized Tribal Sovereignty.

Ms. Garcia y Griego said she understands from the staff of the National Headquarters for the Indian Arts & Crafts Board, that there are some inconsistencies, with State law being tighter in its definition. And they have used those definitions in the drafting of the Ordinance, noting all definitions in the Ordinance came from State law, with the exception of the 1932 date the federal law was passed, which is effective for objects produced after that date.

Acting Chair Ives said the definitions talks about State Statute 30-33-4, but then it says, "*Or any person who can meet the minimum qualifications for services offered by the United States government to Native Americans.*"

Ms. Garcia y Griego said she believes that is in the State Statute, but she can verify that before this goes to Council and if there are inconsistencies, she will propose an amendment to clarify those.

Responding to Acting Chair Ives, Ms. Garcia y Griego said with regard to the case, that's what merchants responded to. She said the proposed amendment from staff is that there is no requirement that all of the labels be placed on each individual item, rather merchants are asked to clearly define what items are being offered as Native American, noting there are 3 different sets of criteria under State law, and at the point of purchase, disclose the consumers' rights under the federal, and in this case particularly, the State law. The State law already requires the merchant to write onto the receipt the Tribal affiliation, as well as to disclose any synthetic materials. It is already a requirement, and upstanding merchants will do that. She said to make merchants place that tag on every single item was redundant to existing State law. It advises the consumers of their rights, so they can get the merchant to write that information on there if they wish. And from there, they may pursue complaints to the AG's Office. She said she and Mr. Randall just received a series of emails from someone who had purchased a rug, and later found out it wasn't what they thought. They went back, and that merchant immediately did what they are required to do under the State law which is to refund the purchase price. She said so we do have merchants who are aware of and practice the law. So it's about advising the consumer they have these existing rights.

Acting Chair Ives said then anything made before 1932 doesn't fall under federal or State law, and the merchant will disclose that information in writing.

Acting Chair Ives asked Ms. Garcia y Griego if she has been in contact with all such stores selling such goods.

Ms. Garcia y Griego said they reached out to a number of them, showed them drafts, and they have been working with the Downtown Merchants Associations quite closely, along with the Indian Arts & Crafts Board. She is sure there will be a certain number of merchants who will be surprised by this.

Acting Chair Ives urged that Ms. Garcia y Griego reach out to those merchants before the Ordinance goes into effect. He noted he never questions anything sold by The Shop of the Rainbow Man, because they go out of their way to tell you about the piece in his experience. He wants to make sure that everyone knows "what's coming down the pike."

Ms. Garcia y Griego said she will do her best.

Acting Chair Ives asked how they plan to gather evidence of violation of the Ordinance.

Ms. Garcia y Griego said enforcement of State and federal law is not within the City's purview, and the City is responsible for issuing the license, requiring they post the sticker and the information required by the City. Anything other than that would be up to the City Attorney's Office to make referrals to the relevant State or federal agencies to do that.

Acting Chair Ives asked if she is saying the City has no recourse in any "way, shape or form."

Ms. Garcia y Griego said the City has the recourse to pull their business license and take away their ability to do business. She said enforcement of violations of the federal act and the State act obviously fall to them. She said it is really prompting pro-active disclosure of consumer rights and informing the consumer.

Acting Chair Ives said it begs the question about how we are going to pro-actively determine that, but we'll keep working on that.

Ms. Garcia y Griego said she would like to have a conversation with him before this gets to the Council, in case there are additional amendments which are needed to address that.

Acting Chair Ives said clearly there are several jurisdictional entities here to some degree, all chasing the same goal, which is to ensure that the consumer, when buying a piece of native jewelry, for example, is actually a piece of native jewelry.

Ms. Garcia y Griego said the City's role is about the business license, "but the violations of their laws are to them." She thinks it would be a fairly high profile case if the City pulled a business license, and that would certainly garner some attention.

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

- 20. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 2-1.2, RELATING TO THE COMPENSATION OF THE MAYOR; AND ESTABLISHING AN INDEPENDENT SALARY COMMISSION TO SET THE MAYOR'S SALARY EFFECTIVE MARCH 19, 2018 (COUNCILORS IVES, LINDELL, MAESTAS, DOMINGUEZ, VILLARREAL AND RIVERA) Committee Review: City Council (REQUEST TO PUBLISH) 10/13/16; and City Council (public hearing 11/09/16). Fiscal Impact – No.**

Councilor Villarreal noted she is a cosponsor of this Ordinance. She wants to make sure we get the right language for this Ordinance. She asked how the makeup of the Commission was decided.

Acting Chair Ives said there was not necessarily complete guidance in the Charter Amendment which was approved, so it required some discretionary efforts. The desire was to try to make sure we had a representative committee, and 7 seemed a reasonable and workable number for such a group. He said the Commission makeup is: One member from the Chamber of Commerce, a representative of a neighborhood association, one from the League of Women Voters, one a current or retired attorney or judge, one member from the human resource industry or an employment consultant, one a current or retired chief executive officer and one member appointed at large.

Councilor Villarreal asked if the four-year term offsets the timing of the upcoming election, so it doesn't fall at the time we will be having Mayoral elections.

Acting Chair Ives said it is anticipatory, so yes.

Councilor Villarreal asked if there is a requirement to do a press release so the public will know there is a vacancy on the Commission.

Acting Chair Ives said he is unaware of a formal City process where City advertises for such people, although we could certainly could ask for the net to be widely cast so we are getting a good pool of people from Santa Fe.

Mr. Johnson said it is not a written policy, but it is certainly a practice that we see press releases for vacancies on all the commissions and various committees.

Councilor Villarreal said she doesn't think we practice that well, and she rarely sees press releases for vacancies. She wants to work on that to figure out how we can make that a requirement and asked if we can add it to the Resolution – advertisement and on the website when there is a vacancy.

Acting Chair Ives said we can ask Mr. Guillen to draft a proposed amendment to ensure there are sufficient public announcements and advertisements to assure significant awareness across the City when positions are available to be filled.

Councilor Villarreal said she will work with Mr. Guillen separately in terms of the makeup of the Commission. She thinks it's fine to have representation from different groups, but she thinks there should be a balance in terms of diversity, specifically in terms of gender, and will work with Mr. Guillen on some language that will reflect that. She wants to make sure our committees and commissions are representative of the communities we are serving.

Councilor Villarreal asked if there was a discussion at the Charter Commission, when we have a full-time Mayor and the salary is set, regarding the role of the City Manager and Deputy City Manager, and how they intersect and interact with the Council. She thinks there will be a different role for the City Manager when there is a full time Mayor.

Acting Chair Ives said there was a good deal of discussion about that and that measure was approved by the people of Santa Fe, so we are in the process of dealing with it. He said his thinking at the time, and as the sponsor for the Charter amendments, is there is a clear distinction between leadership and management. He said our City is complex enough that having a full time leader of the City in the Mayor's office captures the leadership function, while the City Manager is charged with the day to day management and operations. He said obviously, they work closely together. He said some adjustments to the prior Charter were made as to who gets to hire, fire and consent which is a balance between the Council, the Mayor and the City Manager. There also were changes to who can terminate as well. However, the City Manager still would be in the position to be responsible for the day to day operations in a management function, addressing other hires throughout the City.

Councilor Villarreal said this is a discussion for another day, and she will review the Charter more closely to understanding the reason behind it. She has been asked this question by constituents and she doesn't know how to answer it.

Acting Chair Ives said there were 12 meetings of the Charter Amendment Commission, with minutes from all of those, so she has the opportunity to become more informed.

Councilor Villarreal said perhaps Mr. Guillen can summarize those for her.

Mr. Guillen said he does have the Charter, and in the description for 2018 for the strong mayor, he is described as the Chief Executive Officer, exercising administrative control and supervision over just the City Manager, City Attorney and City Clerk. The City Manager is described as the Chief Administrative Officer, so he has supervisory control over all other City employees.

MOTION: Councilor Villarreal moved, seconded by Councilor Harris, to approve this request, with her forthcoming amendment.

DISCUSSION: Mr. Johnson said with regard to the announcement of vacated positions, so it doesn't get lost in this issue, perhaps it could be in the communications resolution.

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

END OF CONSENT CALENDAR DISCUSSION

21. MATTERS FROM STAFF:

Mr. Johnson reviewed the items to be presented under this item. He said the Committee has been receiving a Monthly Financial Report which was usually 2 months behind, based on when the data is available. The GRT lag time is something over which we have no control, commenting it is staffs' responsibility to report this information to the Governing Body and to the general public. He said staff has compiled information about GRTs. He said staff intends to move to quarterly reporting to this Committee and the full Governing Body, because they can capture much more and have some management tools to see where we've been and where we're going. He said they will bring the monthly financial report when it is available, which for September won't be available until almost December. He said staff wants to tie the direct correlation between the GRTs to our economy for the Committee and the public.

Mr. Johnson continued, saying on report page 3, there is a significant spike in the blue line, the GRTs reported in June, and a downward trend in July. He said he believes there most likely will be an anomaly in the data for which he can't get answers from Taxation & Revenue. He said he is comfortable that when combining June and July, there is a slight, modest increase, so we don't take July as evidence of anything significant.

- **UPDATE ON CITY OF SANTA FE GROSS RECEIPTS TAX THROUGH JULY 2016.
(CHRISTINA KEYES)**

Christina Keyes, Treasury Officer, presented information from her Memorandum of October 17, 2016, which is in the Committee packet. Please see this Memorandum for specifics of this presentation. *[Ms. Keyes' microphone was turned off, and for the most part was inaudible]*

Mr. Johnson said the Committee should take the uptick in unemployment with a grain of salt, which often is related to confidence in the labor market and people aren't counted in the unemployment rate when they're not looking for jobs. So once they "come off the couch," then it tends, in the very short term, to cause an uptick in unemployment when actually we would possibly see a tick down if our own local economy is improving.

The Committee commented and asked questions as follows:

- ◆ Councilor Harris asked if this is what staff is proposing to do on a quarterly basis.

Mr. Johnson said the information you were receiving on a monthly basis was for a minimum of 2 months prior. This report is not intended to supplement, rather to show that we are looking at other data to which we have access at this point in time. What you see here in the GRTs, is something that would be a new supplement to the total report that we intend to bring forth quarterly. The goal is to be able to close out a quarter and present the revenues and expenditures similar to what you've seen in the past, with more analysis about the economy about 30 days after the quarter is closed. He said the first monthly report likely will be available in late November or early December.

- ◆ *[Councilor Harris' question is inaudible because his microphone was turned off]*

Ms. Keyes said that particular category is distinguished by Taxation and Revenue, and she thinks what has been lumped into that category are filers who didn't specify whether they fell into any of the other categories. She thinks it is a sweep of the undefined filers in particular. She can contact Taxation and Revenue and ask them to elaborate, if they can say.

- ◆ Council Harris said it is a significant amount of money. He is more interested in the State Reimbursement of Food & Medical Tax which has gone down by \$76,568. He asked the expectation there, noting it is a declining number year after year, commenting that was discussed at the Legislature. He said Mr. Rodriguez said it represents a \$700,000 decrease from one year to the next.

Mr. Johnson said we know that the original adjustment to hold harmless subsidies remains intact from it's 2013 version, noting nothing happened in the last Legislature. He said what is in the budget follows the original legislation for a 7-6% decline annually. He said that is baked into this year's budget in the amount of \$660,000 across all funds into which GRT goes. He said there will be another presentation coming up shortly, regarding the impact of that reduction. It is connected to all individual increments, so you see it as a reduction in the fund into which those increments go. He said about 50% of all GRTs are reported in the General Fund which is about \$330,000, with the remaining amount coming from all other funds receiving GRTs. He said managing the decline is more sophisticated than saying we need to come up with this difference because it's impacting different operations throughout the City.

Mr. Johnson continued, saying you have to remember it is a deduction applied to purchases that have been made. So while we see 8% in this month, over the 12 months it should be 6-7% as prescribed by the Legislature. He said these are large data sets and we aren't provided with any backup information to know if it is correct.

- ◆ Councilor Villarreal said, "The Memo after the reports about how you will start looking at a true cost or service model – I think it's great."

- **INFORMATION ON CONSIDERATION OF CONCEPT OF A CITY-WIDE, FULL COST-OF-SERVICE MODEL THROUGH IMPLEMENTATION OF AN INTERNAL SERVICE COST ALLOCATION PLAN. (ANDREW HOPKINS)**

Mr. Johnson said this is a project that he and Mr. Hopkins started prior to him taking on his current role. The idea is to move us to a true internal cost of service model where the costs for our internal functions, such as H.R., Finance, Legal and others described, are properly allocated across all of the users of them. He said we have what he calls "public facing departments," and departments that really just deal with the department, commenting we all are here to deal with the public. However, his phone primarily rings from the departments, so "I know that's my customer."

Mr. Johnson continued, saying the current model, while very sophisticated and works, and has been used for a number of years and developed by Mr. Hopkins, lacks picking of the cost of those that share the General Fund as its cost center. So, currently Finance and Legal are good examples of those that live primarily in the General Fund, and our costs cannot be allocated among others in the General Fund. This model will move all of the internal agencies, 6000 Fund Numbers, into the 6000 and will take "us out of the General Fund and put us there, and then properly allocate out costs according to different methodologies that weights it on its use," as set out in the Memo. He said this will go unnoticed until we share the model with the external departments, the heavy lifters and the working being done by the Budget Office in working with the internal agency departments to properly decided how to allocate your costs."

Acting Chair Ives said it has been his understand that allocation as he described in the inward-facing departments through certain departments may have been inflated, such as Water Utility in particular, and some being done by payment of 20 additional employees from water who had some nexus, but which seemed very thin at times. He asked if he will be working to correct these types of errors, so we are not driving a balanced budget against existing funding simply because there is funding there.

Mr. Johnson said we did almost all of that in the last budget process, and moved almost all of those divisions where they are supposed to be, which was the first step in going to this model. He thinks there may be two positions left that show significant ties, and the intention is to move those and have a formula that properly allocates costs.

The Committee commented and asked questions as follows:

Councilor Harris said he had a good conversation earlier today about this with Mr. Hopkins. He thinks this is an important exercise. He asked how long this will take, commenting "this will take a fair amount of homework."

Mr. Johnson said it is intended to have this ready to be included in next year's budget cycle.

Councilor Villarreal said then the department and divisions budgets will reflect those true costs of service.

Mr. Johnson said this, as stated in the Memo, will show up in their budgets specifically, noting a line item already is in the system which is being used for this. However, there are so many internal service functions in the General Fund, it isn't accurate.

Councilor Villarreal asked if the details will be discussed in the Strategic Planning process.

Mr. Johnson said they are different, but are tied into that generally speaking, commenting that performance measures for internal services are different than performance measures for the external because it includes our customers. He said that can mean you are looking at being judged by your peers for the services you are providing to those clients, so the questions being asked can be a little different to get the performance measures.

Councilor Villarreal said it's not innovative, but she doesn't believe the City has ever done this.

Mr. Johnson said is "done about halfway in the way the budget is processed, but it isn't complete."

Councilor Villarreal said they probably should have done this decades ago.

Mr. Johnson agreed.

Mr. Hopkins said this has been a "nerdy work-related dream of mine for some time." He said the response usually was that's a lot of work to do, bring it up next year. He commended Mr. Johnson for wanting to bring it forward, even if it will be a bit of a pain. He said although this gets dollar estimates and such to you more accurately, at the same time it doesn't feed the homeless or pave any streets. It is important to develop a true cost of service model, because it is important to include all costs of new or expanded services, including overhead cost.

22. MATTERS FROM THE COMMITTEE

Acting Chair Ives asked for a status update on the programmatic assessment.

Mr. Johnson said the extremely aggressive timeline is starting to "bite me slightly," but we are making significant progress. The programmatic inventory is due by Monday. He anticipates receiving it prior to that. The next step is we're rolling out a tool to add context and definition of those programs, and hopes to complete that in draft form by the following week. We then work with a couple of different consultants on developing performance measures, with an opportunity to bring in professional staff that do this for a living along with his assistance and others in the department. We will be on track to present what we have in December.

Acting Chair Ives said, if possible, he would love to be involved in those meetings with the external evaluators, so he can better understand that process.

Mr. Johnson said certainly, noting he wants one of the external evaluators to work only with this Governing Body to take it through the entire process. He will provide supplemental information in advance and speak with him off line.

Mr. Johnson said the survey with the National Survey Institute is moving forward, noting he sent out a copy of the sample survey to the Governing Body to get feedback on the custom questions. He said there is a good possibility we will not do custom questions the first time, since we've never engaged in this kind of feedback from residents. The template survey is thorough and will provide a lot of information about what the residents think about quality of life in Santa Fe, and will be totally relevant without the custom questions. There is a short time to finish, noting this is the only missing piece to move forward. He is working to bring the survey for full approval in November, or do it off-line so it can be moved more quickly.

Acting Chair Ives said he would like a breakdown by department and division the report that covers positions not filled.

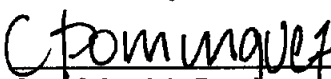
Acting Chair Ives said he would like to understand the steps in the hiring process – how we go about filling those positions – saying he hopes Mr. Johnson will work with Lynette Trujillo on this. He would like an update on where we are in the hiring process and a sense of the average time it takes to fill positions. He said 75%-80% of the City's budget is employee-related costs, and we have approved those positions because they are need to accomplish the work. He has sensed in the past there is a bit of a disconnect, and the vacancy savings become a methodology for saving money in the budget and shifting it for other priorities through the year. He said that doesn't seem a prudent or wise process, so he is trying to understand how we're moving away from the old practice, and dealing with the realities. He is trying to eliminate people gaining hiring to accomplish savings.

Mr. Johnson said they are very strict on the use of salary and benefit budget for any other use, and don't allow it to be shifted to other aspects of the operating budget. There is a very strict policy on that attempted practice. He said occasionally there will be a request to do something on contract or to use a temp agency where that will be allowed for various reasons, such as more people being needed to move more quickly to pick up recycling. He said the key to all this are the performance measures. He said he is happy to work with Ms. Trujillo, noting Finance has been working closely with Ms. Trujillo, H.R. Director, on these aspects tied to the attrition credit. He said Finance can only report the financial information, because

that is all we have access to. He can work on providing the tie, the function, speeding them, up clarifying the process, etc., with H.R. He said "everybody is lifting their hood on their process," since we kicked-off the ERP with Cronus.

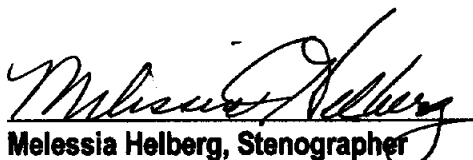
23. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:30 p.m.


Carmichael A. Dominguez, Chair

Reviewed by:

 11-8-2016
Adam Johnson, Acting Finance Director
Department of Finance


Melessia Helberg, Stenographer

City of Santa Fe, New Mexico

memo

DATE: October 11, 2016

TO: Finance Committee

VIA: Adam K. Johnson, Interim Finance Director *AJ*

FROM: Yolanda B. Green, Office Manager *YB*

SUBJECT: 2017 Finance Committee Meetings

The 2017 Finance Committee meetings and deadlines are scheduled as follows:

| <u>FINANCE COMMITTEE</u> | <u>TIME</u> | <u>FINANCE DEADLINE</u> | <u>CITY COUNCIL</u> |
|----------------------------|-------------|-------------------------|---------------------|
| Tuesday, January 3, 2017 | 5:00 p.m. | 12/16/16 Noon | 01/11/17 |
| Tuesday, January 17, 2017 | 5:00 p.m. | 01/08/17 Noon | 01/25/17 |
| Monday, January 30, 2017 | 5:00 p.m. | 01/20/17 Noon | 02/08/17 |
| Monday, February 13, 2017 | 5:00 p.m. | 02/03/17 Noon | 02/22/17 |
| Monday, February 27, 2017 | 5:00 p.m. | 02/17/17 Noon | 03/08/17 |
| Monday, March 20, 2017 | 5:00 p.m. | 03/03/17 Noon | 03/29/17 |
| Monday, April 3, 2017 | 5:00 p.m. | 03/24/17 Noon | 04/12/17 |
| Monday, April 17, 2017 | 5:00 p.m. | 04/07/17 Noon | 04/26/17 |
| Monday, May 1, 2017 | 5:00 p.m. | 04/21/17 Noon | 05/10/17 |
| Monday, May 22, 2017 | 5:00 p.m. | 05/05/17 Noon | 05/31/17 |
| Monday, June 5, 2017 | 5:00 p.m. | 05/26/17 Noon | 06/14/17 |
| Monday, June 19, 2017 | 5:00 p.m. | 06/09/17 Noon | 06/28/17 |
| Monday, July 3, 2017 | 5:00 p.m. | 06/23/17 Noon | 07/12/17 |
| Monday, July 17, 2017 | 5:00 p.m. | 07/07/17 Noon | 07/26/17 |
| Monday, July 31, 2017 | 5:00 p.m. | 07/21/17 Noon | 08/09/17 |
| Monday, August 21, 2017 | 5:00 p.m. | 08/04/17 Noon | 08/30/17 |
| Tuesday, September 5, 2017 | 5:00 p.m. | 08/25/17 Noon | 09/13/17 |
| Monday, September 18, 2017 | 5:00 p.m. | 09/08/17 Noon | 09/27/17 |
| Monday, October 2, 2017 | 5:00 p.m. | 09/22/17 Noon | 10/11/17 |
| Monday, October 16, 2017 | 5:00 p.m. | 10/06/17 Noon | 10/25/17 |
| Monday, October 30, 2017 | 5:00 p.m. | 10/20/17 Noon | 11/08/17 |
| Monday, November 13, 2017 | 5:00 p.m. | 11/03/17 Noon | 12/13/17 |
| Monday, December 4, 2017 | 5:00 p.m. | 11/17/17 Noon | 01/10/17 |

Exhibit "1"

Item 8.

Request for Approval of Procurement Under State Price Agreement Nos. 60-000-15-00030, 60-000-16-00067, 50-000-1500052 in an Amount to Exceed \$50,000 Per Vendor for Water Service Connections, Equipment, Water Meters and Supplies; Baker Utility Supply Corp., HD Supply, Inc, Albuquerque Winnelson, New Mexico Meters, LLC, Ferguson Enterprises, Inc. and Water Meters of New Mexico. (Michael Moya)

Exhibit 32