



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 17, 2017 – 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 1/13/17 TIME 3:00p

SERVED BY Yolanda Green

RECEIVED BY [Signature]

Special Finance Committee Meeting – December 5, 2016

Regular Finance Committee Meeting – December 5, 2016

Regular Finance Committee Meeting – January 3, 2017

CONSENT AGENDA

6. Request for Approval of Professional Services Agreement and Budget Amendment in the Amount of \$356,239.81 – Engineering Services to Complete "Paseo Real Wastewater Treatment Plant Nutrient Optimization Study" (RFP #17/12/P); Carollo Engineers, Inc. (Shannon Jones)
7. Request for Approval of Exempt Procurement in the Amount of \$54,777 – One (1) Replacement Mixed Oxidant Disinfection Unit for Water Division; Parkson/MIOX Corporation. (Jonathan Montoya)
8. Request for Approval Amendment No. 3 to Professional Services Agreement in the Amount of \$28,506.14 – Security Services at Main Water Division Building; Chavez Security. (Caryn Fiorina)
9. Request for Approval of Amendment No. 2 to Professional Services Agreement and Budget Amendment in the Amount of \$142,214 – Paseo Real Wastewater Treatment Anaerobic Digester Project; HDR, Inc. (Kathleen Garcia)
10. Request for Approval of Professional Services Agreement in the Amount of \$230,000 – Project Manager and Related Services, Project A2509; Kitchen Angels, Inc. (David Chapman)
11. Request for Approval of Agreement and Budget Amendment in the Amount of \$195,000 – 2015 State of New Mexico Severance Tax Bond Capital Appropriation Project 15-0861; Kitchen Angels, Inc. (David Chapman)
12. Request for Approval of Professional Services Agreement in the Amount of \$195,000 – Project Manager and Related Services, Project 15-0861; Kitchen Angels, Inc. (David Chapman)



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13. Request for Approval of Donation of Two (2) 1998 Pierce Saber Type 1 Fire Engines to San Miguel County Fire Division. (Jan Snyder)
14. Request for Approval of Procurement Under State Price Agreement in the Amount of \$97,732 – Two (2) Vehicles for Fire Department; Brad Francis Car Company. (Jan Snyder)
15. Request for Approval of Professional Services Agreement and Budget Amendment in the Amount of \$100,000 – Bond Counsel Services for City of Santa Fe; Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Marcos Martinez)
16. Request for Approval of a Resolution Directing Staff to Provide a Report to the Governing Body Regarding "Fee In Lieu Of" Affordable Housing Revenues. (Councilor Dominguez) (Alexandra Ladd)

Committee Review:

City Business and Quality of Life Committee (no quorum)	01/11/17
Public Works Committee (scheduled)	01/23/17
City Council (scheduled)	01/25/17

Fiscal Impact – No

17. Request for Approval of a Resolution Directing the City Manager to Work with Santa Fe County to Develop a Memorandum of Understanding for the Use of \$1.5 Million of Qualified Energy Conservation Bonds Currently Allocated to Santa Fe County. (Mayor Gonzales and Councilor Ives) (John Alejandro)

Committee Review:

Public Utilities Committee (approved)	01/04/17
City Council (scheduled)	01/25/17

Fiscal Impact – No

18. Request for Approval of a Resolution Approving the Cost-Share Agreement Between the City of Santa Fe and Santa Fe County to Provide Matching Funds in Order to Receive Water Trust Board Financing in FY 2017/18. (Councilors Dominguez, Ives, Harris and Villarreal) (Alan Hook)

Committee Review:

Public Utilities Committee (approved)	01/04/17
City Council (scheduled)	01/25/17



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Fiscal Impact – Yes FY 16/17 = \$54,156; FY 17/18 = \$802,079

Revenues will come from Capital Improvements Program funds. The pre-construction, engineering services cost of \$54,156 and construction cost of \$802,079

19. Request for Approval of a Resolution Adopting the Culture Connects Santa Fe Report; Directing the City Manager to Commence Work on the Recommendations Identified By the Community Working Group; and Directing the City Manager to Review the Report and Identify Opportunities for Actionable Steps Related to the Report's Recommendations. (Mayor Gonzales and Councilor Ives) (Debra Garcia y Griego)

Committee Review:

Arts Commission (approved)

01/09/17

City Council (scheduled)

01/25/17

Fiscal Impact – Yes \$100,000 (Personnel = \$69,000; Fringe = \$31,000); Revenue \$100,000 from fund balance.

20. Request for Approval of a Resolution Directing the City Manager to Continue the Pilot Parking Program for the Farmers' Market at the Market Station Parking Garage on Saturday Mornings. (Councilors Villarreal, Ives, Dominguez, Harris and Trujillo) (Noel Correia)

Committee Review:

Public Works Committee (approved)

01/09/17

City Business and Quality of Life Committee (no quorum)

01/11/17

City Council (scheduled)

01/25/17

Fiscal Impact – No The proposed resolution will not generate additional revenue or expenditures, but create a revenue loss for the Parking Enterprise Fund. The approximate revenue loss based on the nine weekends since the pilot program launched on August 27, 2016, with an average of 55 participants, is approximately \$330.00. This does not include visitors that are not part of the Farmers' Market, but that take advantage of the reduced \$6.00 rate.

21. Request for Approval of Construction Services Agreement and Budget Amendment in the Amount of \$432,521.91 – Salvador Perez Park Improvements, 2012 G.O. Bond Project Phase 1A; Cooperative Educational Services/FacilityBUILD, Inc. (Jason Kluck)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 17, 2017 – 5:00 P.M.

22. Request for Approval of a Resolution Amending Resolution 2015-42 Relating to the Parks and Recreation Advisory Commission by Permitting Residents of Santa Fe County to Serve on the Commission. (Mayor Gonzales) (Robert Carter)

Committee Review:

Parks and Recreation Advisory Commission (approved)	12/20/16
Finance Committee (no action)	01/03/17
Public Works Committee (approved)	01/09/17
City Council (scheduled)	01/25/17

Fiscal Impact – No

23. Request for Approval of a Resolution Adopting Guidelines and Regulations for the Acceptance of Memorial Donations for Placement in City-Owned Parks, Open Spaces and Trails. (Councilors Lindell and Trujillo) (Richard Thompson and Jesse Esparza)

Committee Review:

Parks and Recreation Advisory Commission (approved)	12/20/16
Public Works Committee (approved)	01/09/17
City Council (scheduled)	01/25/17

Fiscal Impact – No

END OF CONSENT AGENDA

DISCUSSION

24. Presentation of the City of Santa Fe Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2016, Pursuant to State Audit Rule 2012, 2.2.2. NMAC by RPC CPA's + Consultants, LLP. (Teresita Garcia) (CAFR is available on the Website)
25. Discussion and Recommendation to Defeas 2008 General Obligation Bond, 2004 Railyard Phase I and 2006 Railyard Phase II. (Bradley Fluetsch)
26. Request for Approval of Results Based Accountability (RBA) Common Language, Population Indicators and Quality of Life Ambitions. (Adam Johnson)
27. MATTERS FROM STAFF
28. MATTERS FROM THE COMMITTEE



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 17, 2017 – 5:00 P.M.

29. ADJOURN

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

**SUMMARY INDEX
FINANCE COMMITTEE MEETING
January 17, 2017**

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<u>AFTERNOON SESSION</u>		
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<u>APPROVAL OF MINUTES</u>		
SPECIAL FINANCE COMMITTEE MEETING -- DECEMBER 5, 2016	Approved	4
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<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$356,239.81 - ENGINEERING SERVICES TO COMPLETE "PASEO REAL WASTEWATER TREATMENT PLANT NUTRIENT OPTIMIZATION STUDY" (#17/12/P); CAROLLO ENGINEERS, INC.	Approved	4-5
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$142,214 - PASEO REAL WASTEWATER TREATMENT ANAEROBIC DIGESTER PROJECT; HDR, INC.	Approved	6-7
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$230,000 - PROJECT MANAGER AND RELATED SERVICES, PROJECT A2509; KITCHEN ANGELS, INC.	Approved	7-8

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REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$100,000 – BOND COUNSEL SERVICES FOR CITY OF SANTA FE; MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.	Approved	8
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PROVIDE A REPORT TO THE GOVERNING BODY REGARDING “FEE IN LIEU OF” AFFORDABLE HOUSING REVENUES	Approved w/direction	9
REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING THE CULTURE CONNECTS SANTA FE REPORT; DIRECTING THE CITY MANAGER TO COMMENCE WORK ON THE RECOMMENDATIONS IDENTIFIED BY THE COMMUNITY WORKING GROUP; AND DIRECTING THE CITY MANAGER TO REVIEW THE REPORT AND IDENTIFY OPPORTUNITIES FOR ACTIONABLE STEPS RELATED TO THE REPORT’S RECOMMENDATIONS	Approved [amended]	10-20
REQUEST FOR APPROVAL OF CONSTRUCTION SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$432,521.91 – SALVADOR PEREZ PARK IMPROVEMENTS, 2012 G.O. BOND PROJECT PHASE 1A; COOPERATIVE EDUCATIONAL SERVICES/ FACILITYBUILD, INC.	Approved	20-22
REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION 2015-42 RELATING TO THE PARKS AND RECREATION ADVISORY COMMISSION BY PERMITTING RESIDENTS OF SANTA FE COUNTY TO SERVE ON THE COMMISSION ***** END OF CONSENT CALENDAR DISCUSSION *****	Approved	22-23
<u>DISCUSSION AGENDA</u>		
PRESENTATION OF CITY OF SANTA FE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2016, PURSUANT TO STATE AUDIT RULE 2012, 2.2.2 NMAC BY RPC CPA’S + CONSULTANTS, LLP.	Information/discussion	23-25

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DISCUSSION AND RECOMMENDATION TO DEFEASE 2008 GENERAL OBLIGATION BOND, 2004 RAILYARD PHASE I AND 2006 RAILYARD PHASE II	Information/discussion	25-31
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MATTERS FROM STAFF	None	36
MATTERS FROM THE COMMITTEE	None	36
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**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, January 17, 2017**

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 January 17, 2017, 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

OTHERS ATTENDING:

Adam Johnson, 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 Ives 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. *[Removed for discussion by Councilor Harris]*
7. **REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT IN THE AMOUNT OF \$54,777 – ONE (1) REPLACEMENT MIXED OXIDANT DISINFECTION UNIT FOR WATER DIVISION; PARKSON/MIOX CORPORATION. (JONATHAN MONTOYA)**
8. **REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$28,506.14 – SECURITY SERVICES AT MAIN WATER DIVISION BUILDING; CHAVEZ SECURITY. (CARYN FIORINA)**
9. *[Removed for discussion by Councilor Harris]*
10. *[Removed for discussion by Councilor Harris]*
11. **REQUEST FOR APPROVAL OF AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$195,000 – 2015 STATE OF NEW MEXICO SEVERANCE TAX BOND CAPITAL APPROPRIATION PROJECT 15-0861; KITCHEN ANGELS, INC. (DAVID CHAPMAN)**
12. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$195,000 – PROJECT MANAGER AND RELATED SERVICES, PROJECT 15-0861; KITCHEN ANGELS, INC. (DAVID CHAPMAN)**
13. **REQUEST FOR APPROVAL OF DONATION OF TWO (2) 1998 PIERCE SABER TYPE 1 FIRE ENGINES FOR SAN MIGUEL COUNTY FIRE DIVISION. (JAN SNYDER)**

14. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT IN THE AMOUNT OF \$97,732 – TWO (2) VEHICLES FOR FIRE DEPARTMENT; BRAD FRANCIS CAR COMPANY. (JAN SNYDER)
15. *[Removed for discussion by Councilor Harris]*
16. *[Removed for discussion by Councilor Villarreal]*
17. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO WORK WITH SANTA FE COUNTY TO DEVELOP A MEMORANDUM OF UNDERSTANDING FOR THE USE OF \$1.5 MILLION OF QUALIFIED ENERGY CONSERVATION BONDS CURRENTLY ALLOCATED TO SANTA FE COUNTY (MAYOR GONZALES AND COUNCILOR IVES). (JOHN ALEJANDRO) Committee Review: Public Utilities Committee (approved) 01/04/17; and City Council (scheduled) 01/25/17. Fiscal Impact - No.
18. REQUEST FOR APPROVAL OF A RESOLUTION APPROVING THE COST-SHARE AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE COUNTY TO PROVIDE MATCHING FUNDS IN ORDER TO RECEIVE WATER TRUST BOARD FINANCING IN FY 2017/18 (COUNCILORS DOMINGUEZ, IVES, HARRIS AND VILLARREAL). (ALAN HOOK) Committee Review: Public Utilities Committee (approved) 01/04/17; and City Council (scheduled) 01/25/17. Fiscal Impact - Yes.
19. *[Removed for discussion by Councilor Harris]*
20. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO CONTINUE THE PILOT PARKING PROGRAM FOR THE FARMERS' MARKET AT THE MARKET STATION PARKING GARAGE ON SATURDAY MORNINGS (COUNCILORS VILLARREAL, IVES, DOMINGUEZ, HARRIS AND TRUJILLO). (NOEL CORREIA) Committee Review: Public Works Committee (approved) 01/09/17; City Business and Quality of Life Committee (no quorum) 01/11/17; and City Council (scheduled) 01/25/17. Fiscal Impact - No.
– The proposed resolution will not generate additional revenue or expenditures, but create a revenue loss for the Parking Enterprise Fund. The approximate revenue loss based on the nine weekends since the pilot program launched on August 27, 2016, with an average of 55 participants, is approximately \$330,000. This does not include visitors that are not part of the Farmers' Market, but that takes advantage of the reduced \$6 rate.
21. *[Removed for discussion by Councilor Harris]*
22. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION 2015-42, RELATING TO THE PARKS AND RECREATION ADVISORY COMMISSION, BY PERMITTING RESIDENTS OF SANTA FE COUNTY TO SERVE ON THE COMMISSION. (MAYOR GONZALES). (ROBERT CARTER) Committee Review: Parks and Recreation Advisory Commission (approved) 12/20/16; Finance Committee (no action) 01/03/17; Public Works Committee (approved) 01/09/16; and City Council (scheduled) 01/25/17. Fiscal Impact - No.

23. **REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING GUIDELINES AND REGULATIONS FOR THE ACCEPTANCE OF MEMORIAL DONATIONS FOR PLACEMENT IN CITY-OWNED PARKS, OPEN SPACES AND TRAILS (COUNCILORS LINDELL AND TRUJILLO) (RICHARD THOMPSON AND JESSE ESPARZA) Committee Review: Parks and Recreation Advisory Commission (approved) 12/20/16; Public Works Committee (approved) 01/09/17; and City Council (scheduled) 01/25/17. Fiscal Impact - No.**

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

**SPECIAL FINANCE COMMITTEE MEETING – DECEMBER 5, 2016
REGULAR FINANCE COMMITTEE MEETING - DECEMBER 5, 2016
REGULAR FINANCE COMMITTEE MEETING – JANUARY 3, 2017**

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve the minutes of the Special Finance Committee meeting of December 5, 2016; and the Regular Finance Committee meetings of December 5, 2016 and January 3, 2017, as presented.

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

CONSENT CALENDAR DISCUSSION

6. **REQUEST FOR APPROVAL SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$356,239.81 – ENGINEERING SERVICES TO COMPLETE “PASEO REAL WASTEWATER TREATMENT PLANT NUTRIENT OPTIMIZATION STUDY” (#17/12/P); CAROLLO ENGINEERS, INC. (SHANNON JONES)**

Councilor Harris said he sent an email to Mr. Johnson, asking the nature of Fund 5450. He said Mr. Johnson told him that 5450 is the Wastewater Fund, with a balance of \$16.7 million, approximately.

Councilor Harris asked if staff anticipates additional amendments to the contract and Mr. Johnson said no.

Councilor Ives said he noted in the scope of work which is in the packet, Task 4, that the City is responsible for performing a lot of the testing and delivering results to the contractor. He asked if there is a project timeline laid out that juxtaposes what the contractor will do, versus the City. He wants to make sure the City doesn't cause delays in performance in this process.

Kathleen Garcia, Engineer, Wastewater Management Division, said she is here on behalf of Shannon Jones who couldn't attend today. She said they spoke with the consultant at great length, and the consultant will be doing the testing, and is unsure why that language is still in there. They wanted to make sure that the testing was done by the consultant. She noted that the man-hour detail on page 25 isn't a very good copy, but in the negotiations they spoke about having the consultant to do the testing. She will clarify that this has been done and the City isn't holding the consultant up. She said she will verify this and respond via email.

Councilor Ives asked the reason for the background assessment on the Rio Grande, and the amount of time spent. It's a good thing to understanding, noting he has requested more comprehensive testing protocol through the BDD, especially above and below the Los Alamos input, because we haven't been capturing that information.

Ms. Garcia said it is critical for staff to determine the total maximum daily load [TMDL] that would be expected in the next permit cycle. She said it is expected a TMDL will be assigned for the next permit cycle. So they are trying to plan ahead, get ahead of the game and want to do their own study of the characteristics of the River as it relates to nitrogen and phosphorous requirements.

Councilor Ives said he presumes we would be measuring our discharge as opposed to the River itself, unless we're talking about water we take out of the River and processing.

Ms. Garcia said, "Actually, at the point where we discharge, we are the River. So we're a direct contributor to the River at that point."

Councilor Ives asked if the testing for our load content into the River is going to be in the River beneath our point of point sources, and from that we need to subtract the ambient River content to come up with our contribution.

Ms. Garcia said it is her understanding that from the study the Environment Department conducts, from there EPA will assign the loads we are allowed to contribute. So performing this study ahead of time would help them to understand what we need to be doing to correct it, or if they are going to have to add new infrastructure. It is a look ahead to see what we can do. Right now, we have a new permit and we have nitrogen and phosphorus in the new permit. She said they are trying to do a better job. She said she looks for them to be a little be more strict as move forward in this permit cycle.

Councilor Ives said his questions have a lot to do about him trying to understand the process and what happens at what point in the process. He will continue to get clarity on that, and accept that this is a necessary part of the process in the NPDES permitting process.

MOTION: Councilor Ives moved, seconded by Councilor Harris, to

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

9. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$142,214 – PASEO REAL WASTEWATER TREATMENT ANAEROBIC DIGESTER PROJECT; HDR, INC. (KATHLEEN GARCIA)

Councilor Harris noted there was reference to a preliminary screening with Hark, but it wasn't attached and asked if she can send that to him, and Ms. Garcia said she would do so.

Councilor Harris asked if a probable cost estimate has been discussed, and Ms. Garcia said it is about \$2 million.

Councilor Harris said it has been indicated this system potentially could offset our power grid requirements, and Ms. Garcia said that is correct.

Councilor Harris said that would be good, but thinks it should be in the Council packet when this goes to Council, noting this is a money issue. He thinks there is a higher level of information that would inform our decision.

Councilor Harris asked if the photovoltaic array across the street serves the wastewater facility, and Ms. Garcia said yes.

Councilor Harris said then it serves to offset our power grid requirements and Ms. Garcia said yes.

Councilor Harris said then that system could cover the balance and Ms. Garcia said yes.

Councilor Harris asked a rough estimate of the percentage of the power grid requirements it replaces.

Ms. Garcia said she doesn't have the answer and would need to speak with Mr. Jones.

Councilor Harris said he wants to know the big picture – you've taken the step with the array, what did that do, what's remaining and what this cogeneration can accomplish – the estimated payback.

Ms. Garcia said the cogeneration system has a total capacity of 400 kW, and would come very close to covering the good purchase power for the plant on a monthly basis, so the plant is energy neutral from a good power perspective. They are putting in a new digester and it will serve that. She said they are very excited about this.

Councilor Harris wants the public to understand what we've done as well as what we're doing here, and what that means in terms of dollars and long term performance.

Chair Dominguez asked if this still has to go to Public Utilities, and Ms. Garcia said it has been heard by that Committee.

Councilor Ives quoted from the bottom of packet page 2. He asked if we're applying for technical assistance, and if so, what is the maximum we can get, and how would it be used in the context of this project.

Ms. Garcia said the City will not be moving forward with Hark in this screen, noting a preliminary screen was done, and there would be a charge of \$20,000 for the feasibility study. So they felt this was an opportunity to move forward with the existing consultant and have a portion of that as part of the existing digester project. This was a parallel effort with John Alejandro, so the screening came up with Hark. They also confirmed the City would be a good candidate for the combined heat and power system, so they elected to go forward with this project. They included a technical evaluation, so as they explored this in conjunction with Mr. Alejandro, a preliminary screening was conducted and they determined our site qualifies as a strong candidate for this type of system. They felt it was advantageous to incorporate it into the current project in efficiencies and streamlining the design and installation as part of the project. They will be moving forward with Hark and their screening.

Councilor Ives said he would echo what Councilor Harris said in that he would love to understand the cost and benefit to be sure we aren't leaving energy on the table to dissipate. He wants to know the benefits of putting in the system versus savings from having the systems in place as this moves forward.

Ms. Garcia said she will add that information and email the Committee.

Chair Dominguez asked Ms. Garcia to email the information to the entire Governing Body.

Councilor Harris said he assumes the information will be attached to the Governing Body packet. He thinks it's important for all Councilors to be able to see the full information going into the meeting.

Chair Dominguez said that is assuming this Committee passes this item on to the Council.

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

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

10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$230,000 – PROJECT MANAGER AND RELATED SERVICES, PROJECT A2509; KITCHEN ANGELS, INC. (DAVID CHAPMAN)

Councilor Harris asked if the three sums totaling \$705,000 all go toward the same project, and Mr. Chapman said yes.

Councilor Harris said he has questions for someone from Kitchen Angels.

Responding to a question from Councilor Harris, Tony McCarty, Executive Director, Kitchen Angels, said they have been in the design phase for about 1½ years. He said John Padilla is the architect for the project, and is now putting together the bid packets.

Councilor Harris asked Mr. McCarty to quickly describe the project.

Mr. McCarty said they moved into the building 15 years ago, it's never been remodeled while the organization has grown exponentially in its client base. They are moving from pots and pans to commercial cooking equipment, and will be able to serve more people. They purchased 50% of the leasehold in the building with 2 agencies. He said they will expand most of the warehouse area – creating a volunteer training area, expanding the kitchen, creating a new driver deliver area. They have a retail shop that is doing quite well, Kitchenality, which is a thrift store, and making a permanent space for it. They are reclaiming the Board so the Board has a place to plan for the future.

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

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

15. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$100,000 – BOND COUNSEL SERVICES FOR CITY OF SANTA FE; MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. (MARCOS MARTINEZ)

Councilor Harris said he forwarded questions to Mr. Martinez, and for the record he would like the responses for the record. He asked if the \$100,000 is the maximum anticipated revenue.

Councilor Harris said the contract required significant and specific malpractice coverage, but there was no certificate. He said Mr. Martinez forwarded a letter from Modrall's carrier, say the coverage limits required are in place – 1-1-17 through 12-31-18.

Mr. Martinez said this is correct and he anticipates requesting one of these for every year the contract is in effect.

Councilor Harris asked what is Fund 4150.

Adam Johnson, Director, Department of Finance, said that is the G.O. Bond Fund, for Series 2008 bond, and there is a balance, and the proceeds from income on investments can be used for bond issuance compliance.

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

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

16. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PROVIDE A REPORT TO THE GOVERNING BODY REGARDING "FEE IN LIEU OF" AFFORDABLE HOUSING REVENUES (COUNCILOR DOMINGUEZ). (ALEXANDRA LADD) Committee Review: City Business and Quality of Life Committee (no quorum) 01/11/17; Public Works Committee (scheduled) 01/23/17; and City Council (scheduled) 01/25/17. Fiscal Impact - No.**

Councilor Villarreal said she supports this Resolution, but it didn't give a timeline to look at the revenue from fee-in-lieu. She asked if we are starting in 2008 during the decline.

Chair Dominguez asked how far back do we have that data.

Alexandra Ladd, Special Projects Manager, Office of Affordable Housing, said it would be very hard to collect data prior to the Inclusionary Zoning Ordinance, passed first in 1998. She said a logical place to start collecting data, would be 2005 when the Santa Fe Homes Program was adopted.

Councilor Villarreal said that would be fine, and asked that be stated in the Resolution.

Chair Dominguez said he would like data from 2005, prior to the decline.

Ms. Ladd said that makes sense – 2005 to 2016.

Councilor Villarreal said she just wants that clearly stated in the Resolution.

MOTION: Councilor Villarreal moved, seconded by Chair Dominguez, to approve this request, with direction to staff to gather data for the period 2005-2016.

DISCUSSION: Councilor Ives asked the reason a Resolution is necessary to move this forward, although he has no problem doing that.

Chair Dominguez said we need to get some of the information memorialized, noting part of the intent is to start the discussion – our whole Affordable Housing Ordinance needs to be discussed. This is an attempt to get the information and memorialize it with the Resolution.

Councilor Villarreal asked that Mr. Guillen look at the best place in the Resolution to include the period of data collection.

Chair Dominguez said he will work with Mr. Guillen to get that done.

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

19. **REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING THE CULTURE CONNECTS SANTA FE REPORT; DIRECTING THE CITY MANAGER TO COMMENCE WORK ON THE RECOMMENDATIONS IDENTIFIED BY THE COMMUNITY WORKING GROUP; AND DIRECTING THE CITY MANAGER TO REVIEW THE REPORT AND IDENTIFY OPPORTUNITIES FOR ACTIONABLE STEPS RELATED TO THE REPORT'S RECOMMENDATIONS. (MAYOR GONZALES AND COUNCILOR IVES) (DEBRA GARCIA Y GRIEGO) Committee Review: Arts Commission (approved) 01/09/17; and City Council (scheduled) 01/25/17. Fiscal Impact - No. As a reallocation of funds, no additional funds are required.**

Responding to Councilor Harris, Mr. Johnson said the title of Fund 2112 is the 1% Lodgers' Tax Advertising Account.

- ◆ Councilor Harris said then the balance in the fund right now is \$1.1 million, and Mr. Johnson said that is correct. He asked if there are obligations or if this fund has been building and drawn down by the end of the year. He is curious about the ongoing source of funds for the potential position.

Mr. Johnson said Fund 2112 has been built over a number of years, and the figure he provided is the budgeted year-end cash balance, so there will be no depletion between now and year end. The ongoing source of funding is Lodgers' Tax and certainly sustains this activity.

- ◆ Councilor Harris said the proposal is for a position for 3-years.

Ms. Garcia y Griego said it is a 3-year term position.

- ◆ Councilor Harris asked if there are issues with regard to the use of the Advertising Fund, and is the proposal consistent with that – are we really stretching the definition.

Ms. Garcia y Griego said the Ordinance does allow for the use of the funds to cover administrative costs. We would have to make sure the work done by this person ultimately falls under advertising and promoting of Santa Fe's arts and cultural resources to outsiders. The FIR included a lit of potential duties and all of those would have a relative tie to tourism. We would need to exercise caution to sure it was in keeping with the letter of the law.

- ◆ Councilor Harris asked where the new position would be placed on the organizational chart.

Ms. Garcia y Griego said the proposal is that they would directly report to her, and it would be a 4th person under her at the Arts Commission.

- ◆ Councilor Lindell said she spoke with Ms. Garcia y Griego about this, and the report is an impressive document. It is very complete. However, she isn't all-in on this project for this year. She said 2,000 people participate in it and we don't want to be disrespectful of a project that gets 2,000 people to participate. "But I just don't have a comfort zone that I'm really hiring someone at \$70,000 a year with a \$30,000 benefits package, and what I'm asking them to do.... I guess how it

is that it couldn't be a 2-year term, or if even if it isn't, something that we could wait and have more of a discussion about during the budget. This feels like an expansion to me that I'm just not quite comfortable with. It's a sizeable document. I've read the entire thing once, parts of it twice. I haven't studied it as much as I would like to or as much as I expect to. So, without any really specific questions. I've had conversations about it with Debra. I'm a little uncomfortable with parts of it that I don't have real sample sizes. I don't know how many peoples' input drove the results, but I don't want to be specifically critical about this document. I think it's a very very well done dissertation on what happened. We have a lot of people that work in this City that don't come anywhere near that salary and I need more thought on this, and probably more formulated questions on it. But I just have some level of discomfort at this moment in time about it."

- ◆ Councilor Lindell continued, "For a project like this to culminate in saying that the suggestions, the priorities of the suggestions are to 'Establish a department focused on culture,' I don't think we're anywhere near doing that right now. I could be wrong, but for now I'll just leave it at these comments."

Mr. Johnson said, "For clarification, the proposal before you, included in the FIR is the next year. And what I would suggest is you'll have the opportunity to have a rigorous process during the budget hearing to review a job descriptions and get answers to unanswered questions. At this point, he thinks staff is looking for direction to start that process so those documents can be available for review during the budget process. This request is not for this year's budget."

- ◆ Chair Dominguez said we see creep happening, where if we give approval for this, we're basically saying to fit it into the budget, so some of next year's budget will be spoken for before we have some of these discussions during the budget hearing. The way he sees this is that we're giving direction to go ahead and start figuring out how you can fit it into the operating budget. He said isn't fair for Ms. Garcia y Griego to speak to some of that, because these are decisions made by the Governing Body. He said Councilor Ives is a cosponsor and it doesn't seem to be a sense of urgency, and we get to decide ultimately at budget time whether or not we want to do this.
- ◆ Chair Dominguez said in a sense this is reorganization, and these are big decisions that need to be made. He said we need to recognize that in our diverse community, some of the things in the report are important and need to be dealt with. So he doesn't want to minimize the effort and the overall intent. However, this is the 3rd or 4th item where you see this creep happening. He asked, as cosponsor, if Councilor Ives wants to speak to this.
- ◆ Councilor Ives said all of us recognize that cultural activities in Santa Fe are part of the "Santa Fe brand" – fundamentally how we think about ourselves. Our 3 major markets in the summer each highlight a different culture and opportunity in terms of what makes Santa Fe tick. The markets are a significant and primary part of the tourism sector of our economy, as well as providing significant employment for people who live here, and are a means of expanding opportunities for young people to participate in the City to find a home here and professions.

- ◆ Councilor Ives continued, saying this is the first step in an effort to recognize the significance of the underlying cultural aspects of our community. He said the FIR should contain the job description with specific measurable outcomes first, rather than waiting for approval of the full time position. This would help to understand what the position would do and how it works into the fabric of this measure with those specifics before us. This is his only criticism is in terms of how this has come forward.
- ◆ Councilor Ives continued, saying it represents an affirmation and a plan forward regarding cultural activities in terms of the fabric of Santa Fe, an important part of our daily lives, and contribute to our economy in many ways. It's the complement to the tourism activity, in terms of what is in the document. We need to pay attention to that or we're losing half the equation. This is the first integral approach to looking at culture as a productive force in the City and to consider this in many aspects we're trying to accomplish – jobs for youth, engagement of people, preserving culture.
- ◆ Councilor Ives continued said it makes a tremendous amount of sense to have somebody to coordinate that.
- ◆ Chair Dominguez said he appreciates Councilor Ives' remarks, and said "all of this has demonstrated the need to recognize how important culture is." He asked is there a reason we can't have some of these discussions during the budget process. He said if staff wants this, it should be proposed in the department's operating budget.
- ◆ Councilor Ives said he hopes it is a part and parcel of the budget coming forward. The report was done, and we don't want another report to accept and then put on a shelf and be forgotten. He thinks it will come forward during the budgetary process.
- ◆ Chair Dominguez said we need to recognize the report, but we need to have a discussion of the report before we start to do some of the things requested. He is concerned. He said if we say go ahead, we recognize the report and direct the City Manager to identify opportunities for actionable steps related to the report's recommendations, we're basically obligating and mandating our budget reflect that. There are lots of way the context of that report fits in lots of other departments. It seems to him we're saying that before we get the results from the public, we're establishing this as a priority and obligating resources to make it happen. He isn't saying we shouldn't do it, he's unsure if we need to be making that decision right now.
- ◆ Councilor Ives said we acknowledge everything that went into the report. He said believing deeply in what is said in the report, he is ready to move forward to try to ensure that this is part of our budgeting, and would kick in the 2018 year. He is ready to move forward to highlight it as a significant complement to our next budgetary year.

Ms. Garcia y Griego said it is extremely important to the members of the community who participated, particularly those who were interviewed between the time the consultant submitted the report in June to bringing it forward to the public, to ensure the Governing Body and City

recognized this was a large effort that would require financial commitment. The point you made earlier about this report sitting on the shelf, was of concern to everyone who put forward passionate feelings about arts and culture. She doesn't think the intent was to establish budget priorities but to establish recognition at the time of adoption that this will require additional staff resources. To Chair Dominguez's point, this is work that could apply in all parts of the City and not just the Arts Commission. That was the direction to the City Manager – to look at other parts of the City that could contribute to it, and thanked them for raising those points.

- ◆ Councilor Villarreal said she appreciates the document, commenting there was a lot of public comment about the wishes and dreams of people in the City. The arts and culture sector is important to Santa Fe, and gives us economic stability as well as being a piece of our way of life. She sees its importance, and sees staff won't be able to meet all of the suggested recommendations.

- ◆ Councilor Villarreal continued, saying it indicates the funding would be from an existing fund balance of Lodgers' Tax revenues.

Ms. Garcia y Griego said this is correct, and the fund balance is referred to at the outset, and it is not part of the anticipated budget from which we would operate in the next fiscal year. It would be a pull from the cash reserves we will be requesting as an expansion during the budget.

- ◆ Councilor Villarreal asked for what that cash reserve would be used if it wasn't used for this particular purpose.

Mr. Johnson said there are a few different funds which the Code requires using for specific activity, such as the proceeds from taxes such as Lodgers' Tax, excluding capital, which was the process we used to get one-time cash for one-time purchases. This is different in the sense that the fund balance grown in that fund can be used only for purposes related to arts with non-profit activities and performing arts, less administrative cost. So you are looking for an opportunity, similar to this fund to select, engage and deploy the funds into the community.

- ◆ Councilor Villarreal said this is the reason the Governing Body gave its blessing to go through this process of creating a culture, a cartography, that's what we're looking for. She said if we have the funding source, and it's very specific and meets this need, she can see the reason to use it in this way. There were concerns about the vast numbers of recommendations she thinks were very good. She said some of them can't happen right away, but it doesn't mean we can't consider them.

- ◆ Councilor Villarreal continued, saying said Ms. Garcia-Griego gave us a Memorandum which narrowed some of the recommendations to happen in the first 24-30 months. One was establishing a department, but there was an end note as to what would be the better path to do that. She said that isn't going to happen, and asked Ms. Garcia y Griego to clarify what she is thinking for that point, as well as to focus on those which will be on the priority list. She reiterated there were a lot of great recommendations in the document which were low hanging fruit, things

we're already doing which we can elaborate or strengthen, and then other new concepts. She asked Ms. Garcia y Griego to summarize what was set out in that memorandum.

Ms. Garcia y Griego said the plan contains 28 recommendations, which when you drill those to the more than 100 ideas, it becomes almost overwhelming. The working group and the constituents with whom we conferred felt they owed it to the Governing Body and the community to offer 8 that were either low hanging fruit or things we could start on immediately – things they felt were priorities for action.

Ms. Garcia y Griego said the establishment of a Department of Cultural Affairs came up consistently throughout the *[inaudible]*. What it meant varied to different people. The recommendation in the plan was specific about what it should look like. There was a feeling from the working group, the Arts Commission as well as staff, that those decisions were not to be dictated in a plan but to be investigated by the City Manager and staff, and ultimately decided by members of the Governing Body. The footnote to which you are referring is in the working group letter where they want to be clear, although they are making it as a priority recommendation, that what they're saying is that conversation needs to happen and they're laying out a path for the conversation with the Governing Body and the City Manager, and not with the steps laid out in the plan offered by the consultant.

Ms. Garcia y Griego continued, saying they felt it was important to make it a recommendation because it came up so many times in discussion. The other recommendations to which you are referring are:

1. Establish a department focused on culture.
2. Encourage, coordinated and strategic financial investment from a mix of government, foundation and individual donors;
3. Expand access to meaningful and relevant cultural experiences for all;
4. Incentivize strategic collaboration and partnership;
5. Expand cultural workers access to markets and ways to present work to audiences;
6. Develop culturally relevant curriculum and inter-cultural teaching strategies that provide our children with a strong foundation for cultural participation throughout their lives;
7. Encourage the retention of young people; and
8. Elevate the cultural identity and assets of neighborhoods.

Ms. Garcia y Griego continued, saying on the FIR on page 19, there is an analysis which was undertaken by the Arts Commission. Pages 19-20 contains initiatives on which they are working,

or plans to work on. These are actions we can take immediately within existing resources moving forward. On page 21, you begin to see what can happen with an additional position that would focus specifically on building community partnerships at the core of the document. Throughout the document there are references to work, collaborations already happening. She said it was felt by focusing staff time on leveraging these partnerships, these recommendations could be moved in the most efficient way.

Ms. Garcia y Griego said they looked at doing this on contract, but ultimately decided it would be the one on one work, an individual from the City going out to build the partnerships. The concept of doing this as a contract was dismissed, because this person needs to have the credibility of the City as well as that they will be representing the City in relationships with community partners and they should have some accountability to her, the department director and ultimately the City Manager for the actions. So the decision was to make it a term position rather than any number of other paths.

- ◆ Councilor Villarreal said this answered her question. She will support moving forward with the recommended priorities that can happen right away. She said it would clarify the role of this person on a daily basis if they had a job description.

Responding to Councilor Villarreal, Ms. Garcia y Griego said this will be a full time position proposed for 3-years.

- ◆ Councilor Harris said he will echo much of what is being said and contrast it with the cogeneration project. These are easy for him to understand. However, he has a hard time understanding this. He said it is soft language, and he has a hard time getting to what it will accomplish. He said the strongest argument for moving forward at some level is financial – the nature of the money, the color of the money to fund the position for however many years to be used for specific activities. He said without knowing the job description, he is sure it will be tailored to those activities that respond to the funding requirements as well as to what this document says.
- ◆ Councilor Harris continued saying, on that basis he can support moving forward, but he wants to know more specifics. He said, as we heard Chair Dominguez ask – what would the job description look like and how that discussion would integrate with the budget hearings. Beyond that, he has nothing else to add.
- ◆ Councilor Lindell said that sums up where she is with this request. She would want to see a job description, the qualifications, what we're requesting, the applicant for this position, and again, she would have to think long and hard to support this for 3 years. She said she would like to see the job description, and agrees with Councilor Harris that the soft language of it is hard for her. She prefers a list of what has to be done, and what she expects that person to do, and if she thinks it takes 3 years to do that. She thinks a lot can be accomplished in 2 years when someone comes in, sits at a desk and "gets going." These are things she needs to see to give this the ultimate yes vote.

Ms. Garcia y Griego said she can certainly flush out a job description for Council, with the understanding that as this moves forward, as part of the budget discussion, it would include a more complete job description. That process can take a while, but she can do an initial pass on a job description in time for next week.

- ◆ Chair Dominguez said there are different ways to approach this, depending on what action is taken. He doesn't want for the recommended operating budget from the City Manager to have this absorbed in it. We need to have a discussion about it, and recognize it as an expansion, and not to have these positions are absorbed into the recommended budget. He thinks we can formulate a motion that does that.
- ◆ Chair Dominguez said he is confused about the second paragraph in Ms. Garcia y Griego's Memo, which says, *'An analysis of the work to be implemented in the first 24 to 36 month was conducted. A degree of movement toward the established goals can be realized through existing and planned Arts Commission initiatives. However, to make substantive action on the eight recommended priorities, additional term personnel will be acquire. Specifically, a 36 month position focused on identifying and building community partnerships is recommended.'* He asked if the 36 month position is for the upcoming fiscal year.

Ms. Garcia y Griego said that is correct. It will start at the beginning of the next fiscal year.

- ◆ Chair Dominguez said then we're talking FY 17/18, so that needs to be clarified in there.
- ◆ Chair Dominguez continued, quoting from the Memorandum, *"Current fund balances are available to fund a full-time position with benefits for 36 months beginning at the start of 2017/18..."* is what you're referring to in the last paragraph.
- ◆ Chair Dominguez said then you're not looking for a position now, you're looking for a 36 month position in 17/18, even though the recommendation asks for more than that.

Ms. Garcia y Griego said yes, it was to begin at the beginning of the next fiscal year so it could be incorporated into the budget discussions as a distinct expansion item. The intent was we would seek 3 fiscal year, but it would have to be approved as part of the budget for the next two fiscal years.

- ◆ Chair Dominguez said then you aren't wanting to obligate the other two fiscal years with this action.
- ◆ Ms. Garcia y Griego said she doesn't think you could, and it would have to come forward every year to pull the fund balance.
- ◆ Chair Dominguez said we're already talking about next year's budget.

Mr. Adams said the action you take on this item will not obligate anything until we get to the budget hearings. Expansions will be distinguished from the normal operating budget from the Arts portion of Tourism, and funding for the position will have to be authorized every year after.

- ◆ Chair Dominguez said he participated in some of the work, and it was a good exercise for everyone. He said some of the things speak to the challenges in the community, and he doesn't know if this is intended to solve those. He said there were 2,000 people involved, and asked if we have those numbers by District. He said in the District he represents, it's difficult to get anyone to show up, even for lunch. He said this isn't just about creating positions and having it accounted for, and all of a sudden, we're going to make magical things happen. He said there are tough issues in the community that speak to culture. He asked how many people showed up by district.

Ms. Garcia y Griego said she doesn't have that information with her, but they did take sign-up sheets to every District meeting, and agreed they were really pleased with the turnout at the Southwest Library, commenting there were at least 40 people there. She can get those answers for him, as well as a breakdown of the zip code of everyone taking the survey. She said that is in the full document on page 15. She was pleasantly surprised with the response from all of the Districts. She will provide that information as requested.

Ms. Garcia y Griego continued, saying they did additional workshops with Chair Dominguez at Capital High School, as a whole series of circles of conversation. She said the difficult thing is to get people involved.

- ◆ Chair Dominguez asked Mr. Johnson if this the baseline data on the Community Survey – are we going to use the information Ms. Garcia y Griego has identified as the baseline for measuring the results on that.

Mr. Johnson said he would have to review it more closely, but they can look at using it as a performance measurement.

- ◆ Chair Dominguez said quite a bit of work has been done, but his point is how much of a sample is it to really understand the cultural challenges we have.
- ◆ Councilor Lindell said she just took another read of the caption which says, '*...Directing the City Manager to commence work on the recommendations identified by the community working group...*' She said she is not ready to have the City Manager start working on the establishment of a department focused on culture. This is the recommendation identified. She said by passing this Resolution adopting this report, it seems to her as if we're also adopting the list of recommendations, which she thinks is a much bigger conversation that we can entertain here tonight.

- ◆ Councilor Lindell continued, saying the caption reads that we are adopting the eight recommendations. She is willing to move forward in talking about the position, she isn't willing to put her name now on the eight recommendations, saying for her, they need much more study for her to support them.
- ◆ Chair Dominguez asked if she is saying we really don't know what is going happen with the recommendations.
- ◆ Councilor Lindell said she doesn't want to say no to this, but this is asking for more than she is prepared to give right now.
- ◆ Councilor Ives said when we adopted our Strategic Planning Resolution, one of the provision was to look at policies that build community. He said there is no better way to build community than through culture and bringing forward the multi-culture nature of Santa Fe for everybody to enjoy. He said on page 27 of the report, there is a heading "What Value Does Culture Have in Our Community." It says, *'This question was asked to elicit benefits and impacts of culture, and in every case, the answers were clear, culture is invaluable. Those interviewed focused their affirmative responses along 4 primary axis – civil society, education, economy and a sense of place. Culture, according to one individual, creates a sense of duty, respect and care toward the members of our society, while noting it is essential to our ability to make connections and to understand one another.'*
- ◆ Councilor Ives continued saying in this day and age when there are so many who seem to be willing to express and highlight our differences with the intent of creating divisions, he thinks the strength of this plan, document and the recommendations it is saying let's look at those differences and turn them into the very strengths in our community. There is a group that has spent an extended period of time, 15 months. We have tremendous participation across the community, a tremendous number of people weighing-in and a review of many of the recommendations are things we've talked about quite frequently. And we all support expanding opportunities for young people to participate in cultural activity. It encourages the retention of young people, addresses the shortage of affordable housing and work space aligned with principles of innovation and ethical redevelopment and so forth.
- ◆ Councilor Ives said if you look at the recommendations, he thinks they are ones we all have expressed significant agreement with, and most of us strongly support. He would suggest this is one of the true strengths of our community and may not be readily measurable in terms of dollars and cents. However, this is a significant portion of what Santa Fe is and should focus on, in terms of moving forward as a community. It's a community-building document.

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

DISCUSSION: Chair Dominguez said he hopes we get a motion that works for everyone, and we will make amendments as friendly amendments.

Councilor Harris said regarding the title of the Resolution, line 2, as pointed out by Councilor Lindell, says *'Directing the City Manager to commence work on the recommendations identified by the community working group.'* He said we heard the 8 recommendations, but it is specific in the FIR. He said on packet page 7, under 3. *Expenditure/Revenue Narrative*, the last line reads, *'The position will be developed to include specific outcomes directly related to the eight recommendations.'*

Councilor Harris continued, saying 7 of the 8 recommendations employ what he calls "soft language," – encourage, expand, incentivize, develop, elevate. He said the first uses the word "establish," which is a specific recommendation to establish a department focused on culture, and he isn't prepared to do that. He thinks we can move forward on the lines we discussed in terms of the Budget Hearings and those issues. He thinks that was clear.

FRIENDLY AMENDMENT: Councilor Harris proposed an amendment "to strike the language of the Resolution that says, 'Directing the City Manager to commence work on the recommendations identified by the community working group.'" He said we can adopt the report and direct the City Manager to review the report and identify opportunities for actionable steps related to the report's recommendation. This doesn't bind us the way as the Resolution as stated currently, as backed-up by the FIR that calls for specific outcomes." It would be specific outcomes related to the establishment of a Department of Culture, and I'm not ready for that." Councilor Ives said in terms of the statement of that "establish a department focused on culture," if there were modification to that in terms of the direction to the City Manager to further evaluate that possibility, as opposed to saying make it happen, because I think it's something that is potentially significant within our City and the structure of City government, so I would love not to have it just die, but I appreciate that it is not an insignificant thing. We did that with Parks and Rec recently, so anytime we're proposing to create a new branch of government, that should be seriously considered. So certainly modifying that to simply further study and bring back to us. Councilor Harris said, "Again, if were to drop the language that says, *'....directing the City Manager to commence work on the recommendations..'* Drop that whole statement and simply, *'Direct the City Manager to review the report and identify opportunities for actionable steps related to the report's recommendations.'* You can still leave the recommendation in there, but you're going to study it a bit more and that, I think, fits within the process we talked about for budget hearings, job descriptions and those types of things. Chair Dominguez said, "So there is this understanding though, whatever happens, that budget is going to be independent, I guess. Councilor Ives, you are the maker of the motion, do you accept that. Councilor Ives said, "I want to make sure I understand it exactly, because I didn't find....Chair Dominguez said, "What I don't want is for anyone to think that we don't support culture. That's why I get so frustrated with some of the pieces of legislation that come before us. We're policymakers, so go ahead. Councilor Ives said, "The way the caption reads, it's a request for approval of a Resolution adopting the Culture Connects Santa Fe Report." He said, "Your amendment is directed to the second part which is to commence work on recommendations, and just to make sure I have your language down, because I think you phrased it nicely, but I did not capture the language. Councilor Harris said, "Well, I simply said, drop that statement, the entire statement, *'directing City Manager to commence work on the recommendations identified by the community working group,'* drop that. But use the statement that *'Directs the City Manager to review the report and identify opportunities for actionable steps related to the reports recommendation.'* **THE AMENDMENT WAS FRIENDLY TO THE MAKER.**

DISCUSSION BY THE SECOND ON THE FRIENDLY AMENDMENT" Councilor Villarreal asked if there was a discussion with the working group about first looking for a term full-time staff person. Was that a conversation instead of looking at a full blown department focused on culture.

Ms. Garcia y Griego said she thinks the error is in the language of the FIR, which probably should not have identified all eight, because the footnote on the working group made clear that any discussion around establishing a department is not one, that this position would handle that as a City Manager and Governing Body recommendation. She thinks it is an error in the FIR more than anything else. She doesn't think there was any expectation on her part or the working group, or the Arts Commission that this position would be tasked with establishing a department, that would be completely inappropriate. "But no, there wasn't any intention, but I can understand how the FIR as written gives that appearance."

Councilor Villarreal said that is her understanding, so actually she wasn't really reading too much into that. "The other points... Councilor Harris says they're soft. If you look at the document that talks about those recommendations and how they align with the Arts Commission initiative, to her has a lot more meat. And they are things that already happening now, and things that, like I said earlier, that we elaborate on. So I don't think they are just lofty ideals. I think they are things we already have in place or that we can strengthen." She said she is okay with the language change, but actually says it says the same and she is fine with that adjustment. She said both of these are steps of these recommendation priorities.

THE AMENDMENT WAS FRIENDLY TO THE 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.

Ms. Garcia y Griego thanked the Committee for the excellent discussion. She said, "I just want to take this opportunity as the Director of the Arts Commission to say, I am the envy of my colleagues around the nation, because it is very clear that this Governing Body values our arts and culture. So, despite the discussion, please know your support of arts and culture is well known and well regarded across the nation."

21. REQUEST FOR APPROVAL OF CONSTRUCTION SERVICES AGREEMENT AND BUDGET AMENDMENT IN THE AMOUNT OF \$432,521.91 – SALVADOR PEREZ PARK IMPROVEMENTS, 2012 G.O. BOND PROJECT PHASE 1A; COOPERATIVE EDUCATIONAL SERVICES/FACILITYBUILD, INC. (JASON KLUCK)

Councilor Harris said he got very specific answers to his questions from Mr. Kluck and beyond that, they sat prior to the meeting with the plans and specifications and went into more to more detail. He reviewed the questions he asked and said he has one follow-up question dealing with a potential contingency for the project.

Councilor Harris said approximately \$514,000 was allocated for Salvador Perez in the Parks Bond program, and \$392,000 remains of that amount. A project is being recommended for approval of \$432,521.

Mr. Kluck said the numbers are correct, and gave a brief overview of the project for Phase 1A, the parking lot, including bidding and construction administration in the amount of \$121,606, noting it was approved last year. The site evaluation and program was done, and they came to an understanding with Parks and Recreation on the priorities on the implementation plan. The RFP was issued for site evaluation and programming based on the recommendations, with a comprehensive list of priorities, and developing plans for the highest priorities which fit within the budget. The conclusion was that the east parking lot was the highest priority, and two other phases were added involving extensions to the parking lot and working on the adjacent dog park, and the playground where the existing parking lot is now in the interior of the park. They now have a contract with Facility Build to implement Phase 1A, removing the existing patio area and putting a parking lot in its place, and associated around that, making sure there is fire access, and linear parking still functions. With a different pot of money, they added on-street parking from the Traffic Calming budget. He said the BAR for that is in the packet for approval as well. The total is \$432,521, minus \$39,806 for traffic calming, so they are spending the remainder of the allotted funding at \$392,715.

Councilor Harris said he has a good understanding after his review, noting that only leaves \$250 in that account. He asked how contingencies are handled. He assumes there will be additional costs that will come up, and asked Mr. Johnson what happens if there is a \$5,000 proposed change order.

Mr. Johnson said, "What I would suggest that we propose to pass this with a contingent approval on finding a small contingent that I could work on before Council."

Councilor Harris said he thinks that's prudent, and asked him to work with Facilities.

Councilor Harris said we are going through Cooperative Educational Services, and asked what was the process for selecting this company.

Mr. Kluck said the project wasn't bid publicly, it was bid through CES, and the designer, John Barton, went through a significant vetting process of the available contractors, chose 3 of those and did a bid tabulation somewhat like a public bid, and allowed for the process of asking questions in a much more streamlined way than a normal bid would allow. The intent of the process was to best utilize the limited available budget. He said Facility Build was the sole responsive bidder. He said Genomulchion will be a sub of Facility Build for the asphalt portion of the contract, and Lone Mountain just declined to bid.

MOTION: Councilor Harris moved, seconded by Councilor Ives, to approve the Construction Services Agreement which would include Alternate No. 1.

DISCUSSION: Councilor Harris said the bulb-outs along Alta Vista were funded from Traffic Calming Fund, and John Romero, Public Works has reviewed and approved that.

Councilor Lindell asked the reason this was not publicly bid.

Mr. Kluck said the overriding reason is that it is not required as long as it's approved. We are allowed by procurement law to go through a cooperative contract, any one which has been approved by Purchasing. He said the bid process takes an extended period of time, where the CES process takes less time. He said they were able to do this in a month, even with the holidays, noting a bid process usually takes 3-4 months. They were trying to get the project done in this fiscal year which was a big factor. The other factor is it allows us to work up front with the contractors instead of after we get the bid. He said they were able to maximize the work at the best price.

Councilor Lindell said her concern is that she would like to see this work done with a local firm. She doesn't know if, through CES, we get many local firms. She said if it took another 60 days to get a local firm to do the work, it would be quite worth it to her.

Mr. Kluck pointed out that GM Emulsion is a local contractor, and they'll be doing the brunt of the work.

Councilor Lindell said it means we're also paying someone else on top of them. She asked if they are a CES contractor.

Mr. Kluck said they are, but they declined to bid, and wanted to work under Facility Bid as the prime, which is how it worked out.

Councilor Lindell said she is just saying she would much rather see these kinds of projects done by a local contractor, even if it takes longer on the bid process.

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

Chair Dominguez said this has been the message we've been giving the staff since he started on the Council – everything local as much as possible.

Councilor Harris noted that one of the people who works for GM Emulsion, worked for Harris Consultants for about 6 years.

- 22. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION 2015-42 RELATING TO THE PARKS AND RECREATION ADVISORY COMMISSION BY PERMITTING RESIDENTS OF SANTA FE COUNTY TO SERVE ON THE COMMISSION (MAYOR GONZALES). (ROBERT CARTER) Committee Review: Parks and Recreation Advisory Commission (approved) 12/20/16; Finance Committee (no action) 01/03/17; Public Works Committee (approved) 01/09/17; and City Council (scheduled) 01/25/17. Fiscal Impact - No. As a reallocation of funds, no additional funds are required**

Councilor Lindell said we discussed this previously, and staff was going to come back with additional information

Robert Carter, Director, Parks and Recreation Department, said the Resolution has been changed to read that there will be no more than 3 County residents, and the Chair must be a City resident. He said the reason it wasn't heard on January 3rd, was staff was not available to answer questions, noting he was still out of town. This is the reason it was moved to tonight's agenda.

Councilor Lindell asked the size of the Commission.

Mr. Carter said at the present time they are slated for 9 members, there presently are 6 members. He has been contacted by one City resident and one County resident interested in serving on PARC.

Councilor Lindell said she won't support this now, nor in the future. These are City facilities and there are plenty of people in the City that want to serve on these boards and commissions, and she sees no real reason to do this, so she won't be supporting this.

MOTION: Councilor Lindell moved to not approve this item. **THE MOTION FAILED FOR LACK OF A SECOND.**

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

VOTE: The motion was approved on a voice vote, with Councilor Villarreal, Councilor Ives and Councilor Harris voting in favor of the motion, Councilor Lindell voting against and Chair Dominguez absent for the vote.

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION AGENDA

24. **PRESENTATION OF CITY OF SANTA FE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2016, PURSUANT TO STATE AUDIT RULE 2012, 2.2.2 NMAC BY RPC CPA'S + CONSULTANTS, LLP. (TERESITA GARCIA) (CAFR is available on the website.**

A copy of the City of Santa Fe *Comprehensive Annual Financial Report (CAFR)*, for fiscal year ended June 30, 2016, is incorporated herewith to these minutes by reference, and copies are on file in and can be obtained from the City Finance Department.

Teresita Garcia, Assistant Director, Finance Department, said they have finished the June 30, 2016 Financial Report, and they have hard copies of the CAFR if Committee members would like a copy.

Acting Chair Lindell said she will turn the meeting back to the Chair, commenting that some of us already have had a presentation on the CAFR.

Chair Dominguez asked Mr. Browning to highlight anything he needs to publicly highlight and then he can stand for questions.

Morgan Browning said he was the Audit Manager assigned to the City. He said once the Audit is released, it is required to be presented in a public setting such as this one, so that's what they are doing today.

Mr. Browning discussed the timeline and review, the objectives of the audit and discussed the audit results, noting the Audit was submitted to the State Auditor on December 15, 2016, the regulatory due date, and received authorization to release the report to the public on December 30, 2016. He understands the CAFR has been submitted to GFOA for a capital award. Please see the Comprehensive Annual Financial Report for specifics of this presentation.

The Governing Body commented and asked questions as follows:

- ▶ Councilor Ives asked if BARs are done timely so issues are resolved before the auditors are on site, if we would eliminate those as a potential finding. He said we have moved to eliminate the deficit at the MRC and a number of these which seems to be a timing issue rather than a capacity issue. He asked if that would be a good strategy moving forward to get a cleaner audit.

Mr. Browning said yes, absolutely – do BAR adjustments as frequently as possible. He said regarding the budget findings, it's hard to get a perfect score on such a big chart of accounts. He said some of these are just the environment we work in. He said the City also can make budget adjustments at the end of the year which would preclude audit finding[s].

Mr. Johnson said staff currently is working on the process of the quarterly closeout and scanning the universe for budget deficits and overages to do those adjustments more timely. He said to, Mr. Browning point, it is a goal to get rid of Findings, and one we can continue to work to minimize and hopefully eventually eliminate.

Ms. Garcia said Mr. Johnson has implemented two kinds of BARs. One is a technical BAR, which can be approved by the City Manager and we can clear up some of the smaller budget adjustments versus a BAR that goes through Finance and to Council. So they have created two level of budget adjustments to try to clear this up.

Chair Dominguez asked Mr. Johnson if he feels like living up to Oscar Rodriguez's challenge of having zero findings eventually.

Mr. Johnson said it's great to have big goals and more importantly to follow up on the findings we have year-to-year, and said he thinks the goal should be to try to not repeat findings. The idea that we would have no findings year after year would, as a member of the public, cause him concern that the audit work being done is not sufficiently extensive. He said he would imagine in an organization as complex as the City, there always would be some kind of finding. He said as we eliminate Findings, the auditors work will continue to evolve, instead of having to keep looking at the same things over and over. He would

anticipate as we improve one area of our operations, they would have the opportunity to shift and there will be Findings which will cause us to improve in that area and so forth.

Chair Dominguez thanked Mr. Johnson and staff, and Ms. Garcia for their work. He said when he first came on the Council, he didn't know what to think about audits or findings. He learned, and believes we have come a long way, especially with the one repeat finding in 2006. He said it sounds like that is something which can be resolved relatively quickly.

Mr. Johnson said, "As Mr. Browning said..... to answer your question, yes, it's work to resolve it, but let's make sure they keep it in the context that it is the lowest threshold of finding. It is the accountant's dilemma to spend \$1 to find 1¢. And I don't want to send this down that road."

Chair Dominguez said it would be nice to have that finding taken care of soon, commenting it has been a finding since he came on the Council.

Mr. Johnson said he hopes to resolve that in this next round of budget adjustments.

25. DISCUSSION AND RECOMMENDATION TO DEFEASE 2008 GENERAL OBLIGATION BOND, 2004 RAILYARD PHASE I AND 2006 RAILYARD PHASE II. (BRADLEY FLUETSCH)

Adam Johnson said he will give a high-level summary and then turn it over to Mr. Fluetsch for some more information, and then answer questions. He said what is behind Tab 25 is a strategy and staff isn't seeking approval for the defeasance of the bond. He said, tracking concurrently, is a Resolution that was brought forward prior to this presentation to get the mechanism started, which goes to the next Council meeting. The strategy behind the defeasance of the bond, is that we would use available cash balances to completely pay them off, rather than going the traditional refunding route that would extend the City's debt. He said additionally, this represents an opportunity to use available cash balances that are not otherwise deployed, as well as cash balances from the Utilities Fund that are not needed for the upcoming years of their CIP – again, using funds sitting in our investments and accounts to grab significant savings and pay on average 5% of our debt in this environment.

Mr. Johnson continued saying the overall savings is \$2.7 to \$2.8 million in interest over the term of the existing bond. The other significant strategy here that will be discussed further later, not part of any approval process, through the budget process, is that any City with G.O. debt, has a mill levied against the taxpayers. That amount is calculated automatically every year by DFA and assessed so that the 1:1 outstanding G.O. Bond payment, whether 2008-2010, or any series of years, is being collected and then paid. If this was to be approved and go forward, this obligation would go away and then the debt mill levy would not be assessed in the upcoming calculation by DFA. So there is a potential of property tax decline.

Mr. Johnson said the other opportunity, which is what we discussed, follows the discussion at the last Finance Committee, where we would be coming forth with a proposal that would provide \$1.5 million in potential capacity to deal with various wage pressures that the Council is seeing now between Police Officers and other members of City staff. The way that mechanism would work through the Budget

Hearing process, would be that you could enact an equivalent operating mill that would bring in revenues to the equivalent of this debt service being paid off, and you would have those funds on a recurring basis. He said that is much more stable because it's not GRTs to provide for incentives or sources of COLAs, however the strategy for pay increases would be, or any other operating expenses the Council would like as per policy.

Mr. Johnson said this is his high level presentation and he will turn it to Mr. Fluetsch. Or, if the Committee would like to go to questions, that is also fine.

Chair Dominguez said Mr. Fluetsch has been waiting a long time, and would like to hear what he has to say.

Bradley Fluetsch, Cash and Investment Officer, said he has 3 main points which are summarized in the recommended action. Please see Mr. Fluetsch's Memorandum, with attachments, dated January 5, 2017, to Adam Johnson, Finance Director, and Christina Keyes, Treasurer, for specifics of this presentation. The memo and attachments are in the Committee packet.

The Committee commented and asked questions as follows:

Responding to a question from Chair Dominguez, Mr. Fluetsch said the \$9 million will come from fund balances they have identified, of which \$1.47 million of the balance is held in restricted cash for the 2008 Bond as required by DFA.

- Chair Dominguez said he is confused about the Water/Wastewater Fund *[most of this is inaudible because the Chair's microphone wasn't turned on.]*

Mr. Fluetsch said currently the Water Fund, in total, has a balance of \$14,600,000, and Wastewater has a balance of \$16,941,000. He said the CIP over the next 3 years for water is \$18 million, but will be spent over the next 3 years. He said, "So we'll be able to take a portion of the \$14 million cash balance and fund that. And with Wastewater, they have \$16.9 million and their CIP over the next 3 years is \$6.140 million. Wastewater could fund it by itself."

- Chair Dominguez said the reason he asks is because of the issues we've had in the past in using water funds. He doesn't want to make it more confusing than it already is, or for people to get the message that we're taking water funds to fix everything.

Mr. Johnson said the sensitivity of the community to that issue is definitely taken into account. And to offset that concern they are proposing, and what you see next if you recommend we continue down this road, is we will have an internal loan agreement to identify the source of funds, the term in which it will be repaid and when it be repaid. He said it actually will come forward and action will have to be taken for the transaction to occur, so it's not just a budget adjustment. We actually are setting up a mechanism by which we are essentially lending to ourselves.

- ▶ Chair Dominguez said, "Which was done before, but we've never done a loan agreement. Councilor Ives do you remember. I don't think we had a loan agreement, I think it was just done via policy."

Mr. Johnson said there likely was a Resolution.

- ▶ Chair Dominguez continued, saying he likes this idea and thinks we need to continue to explore it and maybe move down that road. He said in the end, moving our operation more to revenue from property taxes, is something in which he has always been interested. It obviously is a more stable source of funding and making that little pivot is beneficial, although he is unsure if it is a significant amount at this point. He thinks we need to continue to move forward with something like this and said, "Thank you for your work."
- ▶ Councilor Harris said he reviewed the document and it has sound reasoning. He said the discussion clarified a number of things for him. He said they identify some potential risks. He said, "When you have the opportunity to talk with them about the schedule, and some assumptions they made in terms of the return on our portfolio, the assumptions are conservative as well as the amount of anticipated gross receipts tax revenues."
- ▶ Councilor Harris continued, saying his questions have been answered except for one. He said the bulk of the \$9.20 million, \$5 million, will come from the CIP Reallocation Fund, which will leave a fund balance of \$6.1 million. He said we talk about CIP Reallocation quite often and how those funds can be used to support different endeavors. He said this anticipates implementation in the 4th quarter of this year. He asked, regarding the CIP Reallocation Fund, if there are obligations that will go against the \$6.1 million, noting that leaves a balance of \$1.1 million.

Mr. Johnson said, "There currently are no other obligations on the fund beyond what was passed at the last meeting to close out the deficit at the MRC."

- ▶ Councilor Harris asked if that amount is subtracted from the \$6.1 million, noting that was \$1 million.

Mr. Johnson said, "That's correct, so essentially the \$5 million will take the fund balance to zero which is what it was before we started reallocating fund balances from the General Fund at the end of last year. So all funds in the balance now are not related to any of the projects that were funded from the CIP reallocation. This is still in excess of the unclaimed. So we're proposing this as a prudent use of that cash in defeasing this debt."

- ▶ Chair Dominguez said, "When you ask some folks who weren't involved in all of this, they just freak out."
- ▶ Councilor Villarreal said we had discussed using the CIP reallocation funds for the Parks Maintenance shortfall, and asked if that is another pot that has a separate amount of money, or is it part of the \$6.1 million you just mentioned.

Mr. Johnson said that is separate and already has been accounted for.

- ▶ Councilor Villarreal said then the \$6.1 million is another pool of funding, and is also CIP reallocation that hasn't been accounted for.

Mr. Johnson said, "The last go-around with the closing of the deficit of the MRC, reallocated just more than \$1 million from CIP, so this will deplete the balance to essentially zero."

- ▶ Councilor Harris said this anticipates these actions would be taken prior to the 4th Quarter. He asked what action is needed from the Finance Committee for this to go forward to the Council, noting this is a report.

Mr. Johnson said following the outcome of this discussion, you would say "yea or nay," to continue to pursue the strategy, and the Governing Body will have to pass the Defeasance Resolution in escrow. He said that authorizes them to call the bonds. The second action that would come forth at the next Finance Committee, is we would bring forth a loan agreement created by City Legal and housed in the Treasury Division of the Finance Department, that would draw up the terms. The approval of that document would give staff the authority to do the transaction. That would be accompanied with the appropriate budget amendments as well.

Responding to Chair Dominguez, Mr. Johnson said then during the budget hearings, we could create a stand alone proposal for discussion along with a Resolution to increase an operating mill levy. If that were to be passed by this Committee to the Governing Body, and adopted by the Governing Body in the operating budget, the Resolution would go to the Property Tax Division of DFA, the property tax mill would be enacted and we would begin collecting an operating mill levy that does not require voter approval.

- ▶ Councilor Ives said he would like to have this come before the Public Works Committee, because it was his understanding that the latest \$3.7 million we put into the CIP Allocation Fund would be dedicated to various CIP projects around the City. He said it was never understood that it would be used for purposes other than our CIP needs. His understanding is that Public Works is working on a plan to utilize those funds for various projects, and eventually would be presented to Public Works. So he wants to understand a number of things before taking any action on this in terms of reallocating it toward these purposes.
- ▶ Councilor Ives continued, saying if it is a loan document there is repayment, and asked who is repaying whom and what would the loan document contain.

Mr. Fluetsch said in terms of repayment, they have identified a number of sources. One, as we passed the Investment Policy reform in December, and we've calculated...

- ▶ Councilor Ives said he understands that, and asked "who would be repaid what."

Mr. Fluetsch said it would be whatever fund with a sufficiently significant balance that we could draw from it over the 3 years.

- ▶ Councilor Ives asked if the proposal is to repay the CIP Reallocation Fund.

Mr. Johnson said in the case of the CIP Reallocation Fund, they are not proposing to repay those funds.

- ▶ Councilor Ives said the current City property tax rate is 2.817 mills, and of that, perhaps 0.44 mill is dedicated to repayment of the G.O. Bonds.

Mr. Fluetsch said that is the 2008 G.O. Bond, with a total of 1.0475 mills for all 4 G.O. Bonds.

- ▶ Councilor Ives said we have the authority to look at property tax up to 7.65 mills, and asked if that is correct.

Mr. Johnson said the capacity on the operating side right now is 4.8 mills that could be enacted.

- ▶ Councilor Ives asked if that is what can be enacted in addition to what there is currently.

Mr. Johnson said he would have to verify that.

- ▶ Councilor Ives said we already have the capacity to impose those property taxes without necessarily raiding these other pools of funds that are sitting within the City, and asked if that is correct.

Mr. Johnson said the Governing Body could enact an operating property tax mill if it chose to do so.

- ▶ Councilor Ives said, "None of that is really explained in here, and I think if we're going to consider this, and consider... because we know we probably usually have \$150 million, potentially, in CIP funding needs across our City, to raid \$5 million to do something we could accomplish through a different or similar mechanism via property tax, in my mind, may not be the most prudent thing to do in the short term to recognize the savings we're talking about. So again, I'm simply saying I'm not prepared to go down that road yet without understanding what those alternatives are. And from my perspective, I would love to see those alternatives presented in memos so Councilors have the opportunity to understand the different, potential funding mechanisms that might be available to try and reach the same end to some degree."

Mr. Johnson said to be clear, the enactment of an additional mill levy would be a tax increase. He said he is proposing a net no tax increase with this transaction, so he is happy to go forward and look at the Committee's options for that, and appreciates that part of the conversation. He said, given the long term funding needs of the CIP, but the limited true ability of the City to be able to execute any amount above \$30 million in any year, using the \$3.7 million from the CIP

Reallocation Fund wouldn't have any hindrance on the short or mid-term programs for the CIP. Additionally, we can discuss more of this at the Public Works Committee and work on some more analysis for that meeting. Additionally, we have capacity for a General Obligation Revenue Bond to fund capital improvement projects far in excess of what the City has been able to execute in the past. He said that means he isn't concerned "with us hurting our CIP capacity in the upcoming year, or in the next 2 out-years."

- Councilor Ives said he looks forward to talking more with Mr. Johnson about this. He reiterated that he wants this item to come to the Public Works Committee since we're talking about a CIP reallocation, and thinks that Committee needs to hear this item.

Mr. Fluetsch said he is relatively new to the City and doesn't know all of its history. He said he is looking at this item from a portfolio manager perspective. As the person who is managing your money, this gives him the opportunity, sort of, in theory, to buy \$50 million of bonds yielding 5% in a high quality credit, such as Santa Fe, and the portfolio is earning 1%. He said from his perspective, this is a great buy to incorporate into the portfolio. He said additionally, while we have 400 plus funds, he sees one bank account. He said, "And so, to me, it's one pool of money and it's about 10% of that pool of money, and how can we best utilize it. So I just wanted to share with you my perspective that is a little different than maybe of someone who has a lot of history."

- Councilor Ives said, "No worries. And I certainly appreciate that, and I would want nothing other than your best assessment on those various matters. I know that we continually talk about our incredible CIP needs, and \$3.5 or \$3.7 million doesn't seem a small amount of money with which to accomplish things. So, I want to be real clear why that's the best strategy, and then how we're going to accomplish some of those CIP and then infrastructure needs on a going forward basis, rather than just saying, oh yes, let's take that \$5 million out, not worry about that, we don't need that for those needs. So I would love to understand what the plan is to try and address those needs better and make sure that is part of the consideration on this measure by this Governing Body."

Mr. Johnson said these are excellent points and staff definitely can look at that. He thinks it's important to look at the capacity issues and weigh that against the benefits for this. He said he would point out, as food for thought as we continue the conversation, on page 5 of the packet, what you see in year 20 is there are excess monies of \$3 million, because the loan gets repaid so quickly and the recurring revenue stream is still available in the third year. We could potentially say in year 3 that \$3 million goes back to the CIP Reallocation. He said there is nothing on the claim for that with the way this is structured currently. He said there are certainly great options there.

- Councilor Ives said, "Although I am sure, between now and 2020, or whenever that money would become available, that there would be many calls upon it. But I agree. We should talk about it."

- ▶ Chair Dominguez thanked Mr. Fluetsch for his presentation, commenting that sometimes a fresh set of eyes and new ideas are good for an organization. He asked staff to make sure this item gets to the Public Works Committee, and then he and Mr. Johnson will discuss how to bring it up either at the next meeting or the one after that, so the Finance Committee can take definitive action, unless there are objections. He said our challenge has always been our operating cost and our General Fund. He thinks "this helps with that," and potentially could get us a more stable source of revenue he feels we desperately need. He isn't going to get into that discussion this evening.

26. REQUEST FOR APPROVAL OF RESULTS BASED ACCOUNTABILITY (RBA) COMMON LANGUAGE, POPULATION INDICATORS AND QUALITY OF LIFE AMBITIONS. (ADAM JOHNSON)

Chair Dominguez asked Mr. Johnson the time constraints for acting on this item.

Mr. Johnson said he can be very brief and then we can have a discussion.

Adam Johnson, Director, Finance Department, presented information from his Memorandum dated January 17, 2017, to the Finance Committee and City Council, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

Mr. Johnson said one recommendation of the RBA framework is that we adopt a common language, so we're not using different terms or introducing new terms. The request is to first define and then request official approval of the terms we will be using moving forward in the process. He said a Population Indicator is a metric being used by many organizations. He said a Performance Measurement is the opposite, and one where a single individual or organization can be held accountable. He said as discussed in the Results Based Accountability framework, it is composed of the 3 questions that tell us about quantity, quality and outcome – how much do we do, how well do we do it and is anyone better off as we move forward. As we develop the Performance Measurements it is important that we are all speaking the same language and that we train staff, so in future discussions everyone is on the same page with the definitions.

Mr. Johnson said he is requesting approval of these two terms as we move forward. He said the other request is to set up so we aren't starting from a "blank canvass, what we call Quality of Life Ambitions, which also is recommended by Mr. Friedman in a Results Based Accountability framework. He said the Quality of Life Ambitions are the statements involved on page 3. He said the bullets tabbed below them are Population Indicators, the majority of which will be results of the survey that is out and being conducted. He said some of them are other statistics that we easily can gather from other sources.

Mr. Johnson said at this point he can take direction to look at any other sources specifically, or, "What I'm recommending, this as our place, once we get the results of the survey, to decide if the results of the survey are what we want in here and to make sure the Governing Body is comfortable in proceeding with those as the Population Indicators. And with that, I'm happy to take your questions."

Chair Dominguez said you are looking for direction on the two indicators and the "Life Ambitions," as a starting point, and you don't need a definitive recommendation on the Life Ambitions right now.

Mr. Johnson said, "Councilors, I'm certainly asking for approval as presented, but what I would point out is that they can change."

Chair Dominguez said, "When we talk about these, this is really the priority in some sense."

Mr. Johnson said, "They're certainly not presented in any specific order at this time. I think what lends color to the priority, is how we are performing or how those statistics are being measured, once we start actually having data to put into them. And then say, for example, a number of the statistics in perhaps say, Santa Fe is a safe community, say they were not at a place the Governing Body likes them to be, they can say this is going to be our priority for the next year, so on and so forth."

Chair Dominguez said, "We're not going to get to some of this tonight. I can say this right now. And I think that the Quality of Life Ambitions and the language we use and those things we measure, are part of the foundation for our priorities, and deserve a good level of discussion. I don't have any problems with the definition of Population Indicator and Performance Measurement as you have in your Memo. But I just think that we're going to need some discussion on ambitions."

Councilor Harris said he did the study over the weekend, as well as updating his contacts – those whom he wants to remind about the survey. He asked if the absolute cut off date is Friday, January 20, 2017, for receiving completed surveys.

Mr. Johnson said that is correct.

Councilor Harris said to the Chair's point, he thinks the Ambitions need to be reviewed and discussed. He said there is a whole series of questions in the survey "dealing with the performance of us, as a City Government. But that doesn't get addressed in the Quality of Life Ambitions. He asked the rationale, and the reason that part of the information is excluded.

Mr. Johnson said those specific questions would be a source of data that we would use as Performance Measures rather than Population Indicators.

Councilor Harris said then these all fall within the population indicators, and Mr. Johnson said that is correct.

Councilor Ives said this seems to be reformatting some of what Mr. Friedman was proposing or has put forward in his book. He said Mr. Friedman does talk about indicators as the items we use to assess whether or not we are meeting our population accountability goals. So he thinks of the 7 statements as the broadly stated goals of what we want our community to reflect. He asked if this is based on one of the existing communities that has adopted these goals.

Mr. Johnson said to answer the second part of the question, what he has reaped on the Quality of Life Ambitions are common through the communities with which he or his students have worked, in terms of everybody basically sharing very similar ambitions. Yes.

Councilor Ives said if we want to call the indicators feeding into those goals Population Indicators, he has no problem with that. However, he is unsure he is proposing that people in Santa Fe are healthy as the Population Indicator, or whether the highlighted bullet points under it are the Population Indicators.

Mr. Johnson said, "The latter, and the people are healthy is the Quality of Life Ambition."

Councilor Ives said then we are just dealing with the Population Accountability side of this. He said, "I don't think it's Performance Accountability as the opposite of Population Accountability, but it's really just accountability at a different level. So for instance, Program Accountability comes in at the City level, and why we've done that programmatic assessment to find out all the programs we're operating, and that's where these metrics of how many, how well and has it improved anybody lives really comes into play. That's the Programmatic Accountability. And none of these really address or are meant to address that at this point in time. Correct."

Mr. Johnson said, "That is correct."

Councilor Ives said he certainly has no problem with some of the statements, although, "Santa Fe is a great place to live, work and play," just rolls off the tongue well, but it leaves him wanting a little more substance there.

Mr. Johnson said, "I certainly am open to suggestions."

Councilor Ives said he isn't sure he has any suggestions for him here tonight. He said other Councilors do. So, he doesn't mind the definitions, but he too wants to work on some of the language a little bit more, and apologized for not being fully prepared to do that tonight. But this certainly is an excellent start and he appreciates very much pushing this down that pathway to a real structured and intelligent way of looking at these issues. He said, "I will say, there's part of me that says, I want to see the results of this survey, because I cannot help but think they would play into some of these items on the population as well as the programmatic side. I know we have February to do that analysis. So thank you for this and more to come."

Councilor Villarreal said she understands the 2 terms, but she thinks Population Indicator is more how the external population views how we're doing.

Mr. Johnson said, "Yes it's an external population view of how we're doing and/or other verifiable sources of statistics that we're not generating, that we would be attaching our ambitions against and wanting to track. If you recall the turn the curve excesses, you have to find that indicator you're going to follow that you're going to align with. I think I answered your question."

Councilor Villarreal said then the Performance Measurements are internal as I see it.

Mr. Johnson said yes.

Councilor Villarreal said she agrees with those definitions. She said, "The Quality of Life Ambitions, or starting with that term, because I felt like these are actually indicators of quality of life, but I guess what you're saying is the bold section is a Quality of Life Ambition and the sub-bullets underneath are actually Quality of Life Indicators.

Mr. Johnson said they are Population Indicators."

Councilor Villarreal asked, "Do you see the results as also Quality of Life Indicators for Performance Measurements as well. These would be kind of internally."

Mr. Johnson said, "I follow that. So what will happen when we develop the Performance Measures, the Departments will essentially take the Quality of Life Ambitions, and essentially attach themselves via Line of Sight Association to the activities they do with the Quality of Life Ambitions that the organization adopted. A very obvious one would be Police and Fire will align with safe community quite easily. You'll see some of our other initiatives that would connect, obviously, there's land use issues with the economy, there's finance issues with the economy, there's economic development and tourism. So again, that's where that connection will be made."

Councilor Villarreal said, "I'm having a problem with the Population Indicators because we don't have a benchmark we're trying to reach, such as percentage. Well if you look at the Healthy Section, Rate of Suicide, that actually reduces at a certain percentage. But that's not our goal. It's just saying this is the Rate of our Suicide, and then are we tracking. But without having a benchmark, I guess this year would be the benchmark."

Mr. Johnson said, "This would be the benchmark. I would imaging with that one, specifically, we could give more historical information."

Councilor Ives said the way Mr. Friedman described the Population Accountability is that those are goals that are beyond the capacity of an entity such as the City to realize, and therefore they necessarily involve engagement of other assets within the community. So we can't really define that metric. He said, "But when it comes to the programmatic level, that's where we get into the nuts and bolts of what we were doing and where rather those specific measures...."

Councilor Villarreal said, "I guess I can see this getting huge because it can go into so many factors, that obviously we don't have control over, so thank you for that clarification. I have suggestions on these particular sections that I don't know how to fit in, but for these indicators underneath the ambitions."

[Chair Dominguez' remarks here are totally inaudible]

Councilor Villarreal said, "I think really for Santa Fe, if we're healthy, that we would look at Food Security and Food Access Indicators. Another example for like Safe Community, we have the highest number of burglaries in the country, so I think that would be something to maybe add, because I think it's

actually higher than DWI, I don't know. I don't know where Public Transit fits in here. Is it like ridership or the use of Public Transit does relate to a sustainable environment, possibly, and economy. So I think that's a point or indicator I would like to look at. The Santa Fe economy... or the economy is diverse and prosperous, I think it's so general, but we list it. It actually doesn't show how we're doing economically. And I'm just curious."

Councilor Villarreal continued, "We have so many non-profits that we fund through our grants, and don't they track these kind of things. I don't know. Are there other indicators that they look at that they can see that are important – ways to track how we're doing, job creation or entrepreneurship. I don't know. I just feel like these are very general. And I can plan it right, but that doesn't tell me much. It's just a rate, but it doesn't say what the City is doing. And some of the other indicators that we could look at. I don't have any suggestions for that though."

Chair Dominguez said, "So, why don't we... I don't know if you're done Councilor..."

Councilor Villarreal said, "Well and the other section is just moving some sections around, like the Fair, Just and Equitable Society they talk about, or there's an indicator about Mental Preventative Health. I think that should go up to the Health Section. And I think that section for Fair, Just and Equitable Society is very general. There's probably some other questions we could ask, but I don't what yet."

Mr. Johnson said, "To clarify real quickly, those questions are specifically in the survey, the ones that you see there."

Councilor Villarreal said, "No, I don't say that we don't use those, but there's probably some others we could consider. I just don't know how."

Mr. Johnson said, "So the process we'll have to go through as we flesh more of that out, is we'll have to come up with the data, development and collection process for that. And we can talk about this off-line. But if you're familiar with organizations that might have some things like that, that are being tracked, I would be more than happy to include them for approval."

Councilor Villarreal, "Well, at this point, I'm okay with approving the definitions but not the Quality of Life Ambition section."

Chair Dominguez said he thinks he needs to meet with Mr. Johnson to develop some sort of process for us to go through to deal with the Ambitions. He said we just need to have a discussion about it. He said, "I think the Finance Committee at the very least, we'll speak for them. This is important stuff and the City has never kind of gone through this kind of exercise before. This Committee certainly hasn't gone through this exercise before. And it's going to start to set the pace or the tone of how we do business in the City in the future. And so I would rather have that discussion and not have a debate too late in the night on it. I'll ask for a motion on approving the two definitions and to give direction to have further discussion on the Ambitions."

MOTION: Councilor Villarreal moved, seconded by Councilor Harris, to approve the definitions as stated and to have further discussion on the Quality of Life Ambitions Section.

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

27. MATTERS FROM STAFF

There were no matters from staff.

28. MATTERS FROM THE COMMITTEE

There were no matters from staff.

29. ADJOURN

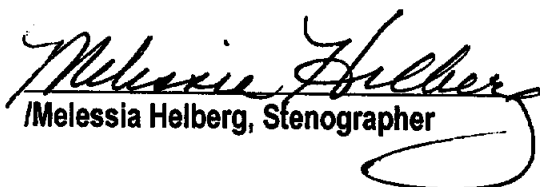
There was no further business to come before the Committee, and the meeting was adjourned at approximately 8:10 p.m.

Reviewed by:

Carmichael A. Dominguez, Chair

**Adam Johnson, Director
Department of Finance**

Respectfully Submitted:


/Melessia Helberg, Stenographer