



# Agenda

CITY CLERK'S OFFICE

DATE 2/14/17 TIME 3:30 PM

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**PUBLIC WORKS/CIP & LAND USE  
COMMITTEE MEETING  
COUNCIL CHAMBERS  
MONDAY, FEBRUARY 20, 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 FROM FEBRUARY 6, 2017 PUBLIC WORKS COMMITTEE MEETING

**CONSENT AGENDA**

6. LAS ACEQUIAS PARK IMPROVEMENTS UNDER THE 2012 GO BOND:
  - REQUEST FOR APPROVAL OF CONSTRUCTION SERVICES SCOPE TO COOPERATIVE EDUCATIONAL SERVICES (CES)/MOUNTAIN WEST GOLFSAPES, INC. (MWGS) TOGETHER WITH THE ASSOCIATED AIA AGREEMENT BETWEEN OWNER AND CONTRACTOR IN THE AMOUNT OF \$98,541.16 INCLUSIVE OF NMGR (JASON KLUCK)

**COMMITTEE REVIEW**

Finance Committee (Scheduled)  
Council (Scheduled)

02/27/17  
03/08/17

7. REQUEST FOR APPROVAL OF RECOMMENDATION OF CIP HIGH SPEED INTERNET PROJECT SUMMARY PHASE II FOR CITY'S BROADBAND PROJECT IN THE AMOUNT OF \$363,094 WITH SANTA FE FIBER (ALEXANDRA LADD/LARRY WORSTELL)

**COMMITTEE REVIEW**

Finance Committee (Scheduled)  
Council (Scheduled)

02/27/17  
03/08/17

8. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987 TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT THE RAILYARD PARK FOR THE BIKE AND BREW EVENT **(COUNCILOR LINDELL) (ALFRED WALKER)**

**COMMITTEE REVIEW**

Council (Request to publish)	02/22/17
City Business Quality of Life Committee (Scheduled)	03/08/17
Finance Committee (Scheduled)	03/20/17
Council (Public hearing)	03/29/17

9. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING A BLUE RIBBON AGE-FRIENDLY COMMISSION TO EVALUATE OPPORTUNITIES TO ENGAGE IN THE WORLD HEALTH ORGANIZATION AGE-FRIENDLY CITIES AND COMMUNITIES, AND EVALUATE OPPORTUNITIES TO IMPROVE ACCESS TO AND AFFORDABILITY OF THE EIGHT DOMAINS OF COMMUNITY LIFE **(MAYOR GONZALES, COUNCILORS HARRIS AND IVES) (CHRIS SANCHEZ)**

**COMMITTEE REVIEW**

City Business Quality of Life Committee (Approved)	02/08/17
Human Services Committee (Scheduled)	02/14/17
Finance Committee (Scheduled)	02/27/17
Council (Scheduled)	03/08/17

10. REQUEST FOR APPROVAL OF A RESOLUTION ADDING THE CANYON ROAD LIGHTING PROJECT, AS A PRIORITY, TO THE FISCAL YEAR 2017/18 CAPITAL IMPROVEMENT PLAN (CIP) AND BUDGET; AND ADDING THE PROJECT TO THE INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP) AS A LEGISLATIVE CAPITAL OUTLAY PRIORITY FOR THE CITY OF SANTA FE TO ADDRESS BOTH PUBLIC AND TRAFFIC SAFETY ISSUES ALONG CANYON ROAD **(COUNCILORS MAESTAS AND IVES) (JOHN ROMERO)**

**COMMITTEE REVIEW**

Public Safety Committee (Scheduled)	02/21/17
Finance Committee (Scheduled)	02/27/17
City Business Quality of Life Committee (Scheduled)	03/08/17
Council (Scheduled)	03/08/17

**DISCUSSION AGENDA**

11. REQUEST FOR APPROVAL OF DEFEASANCE AND REDEMPTION OF 2008 GENERAL OBLIGATION BONDS, 2004 RAILYARD PHASE I LOAN, 2006 RAILYARD PHASE II LOAN IN THE ESTIMATED AMOUNT OF \$15,202,505. THE TOTAL AMOUNT TO BE PAID FROM ONE-TIME FUND BALANCES OF \$6,000,000 AND THE REMAINDER FROM AN INTER-FUND LOAN IN THE AMOUNT OF \$9,220,956 FROM VARIOUS UTILITY FUND BALANCES, WITH A TERM OF 4 YEARS **(ADAM JOHN AND BRADLEY FLUETSCH)**
- a. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING THE DEFEASANCE AND REDEMPTION OF THE OUTSTANDING CITY OF SANTA FE, NEW MEXICO GENERAL OBLIGATION BONDS, SERIES 2008 (THE "BONDS"); AUTHORIZING THE PUBLICATION OF A NOTICE OF DEFEASANCE AND REDEMPTION OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVER OF AN ESCROW AGREEMENT BY AND BETWEEN THE CITY AND BOKF, NA, AS ESCROW AGENT; REPEALING ACTION PREVIOUSLY TAKEN TO THE EXTENT INCONSISTENT WITH THE PROVISIONS HEREOF **(COUNCILOR DOMINGUEZ) (ADAM JOHNSON)**

- b. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO ANALYZE THE CITY OF SANTA FE'S DEBT PORTFOLIO ON A SEMI-ANNUAL BASIS, AND ADVISE THE GOVERNING BODY ON ALL ISSUED MUNICIPAL DEBT FOR THE PURPOSE OF DEFEASING, RESTRUCTURING, OR FUTURE ISSUANCE; AND DEFEASING AND PAYING OFF THE 2008 GENERAL OBLIGATION BOND, THE 2004 RAILYARD PHASE I AND 2006 RAILYARD PHASE II NMFA LOANS  
**(COUNCILORS LINDELL AND IVES) (BRADLEY FLUETSCH)**

**COMMITTEE REVIEW**

Finance Committee (Scheduled)	02/13/17
Council (Scheduled)	02/22/17

**PUBLIC HEARING**

12. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING A NEW SECTION 18-20 SFCC 1987 TO ESTABLISH A SUGAR-SWEETENED BEVERAGES TAX FOR THE PURPOSE OF SUPPORTING EARLY CHILDHOOD EDUCATION FOR CITY OF SANTA FE RESIDENTS  
**(MAYOR GONZALES AND COUNCILOR IVES) (MARCOS MARTINEZ)**

**COMMITTEE REVIEW**

City Business Quality of Life Committee (Scheduled)	02/08/17
Council (Request to publish)	02/08/17
Food Policy Council (Scheduled)	02/23/17
Finance Committee (Scheduled)	02/27/17
Council (Public hearing)	03/08/17

13. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING GUIDELINES FOR THE SANTA FE EARLY CHILDHOOD INITIATIVE; ESTABLISHING GUIDELINES TO GUIDE EARLY CHILDHOOD EDUCATION; DIRECTING THE GOVERNING BODY TO ESTABLISH AN EARLY CHILDHOOD DEVELOPMENT COMMISSION **(MAYOR GONZALES AND COUNCILOR IVES) (CHRIS SANCHEZ)**

**COMMITTEE REVIEW**

City Business Quality of Life Committee (Scheduled)	02/08/17
Food Policy Council (Scheduled)	02/23/17
Finance Committee (Scheduled)	02/27/17
Children and Youth Commission (Scheduled)	02/28/17
Council (Public hearing)	03/08/17

14. MATTERS FROM STAFF

15. MATTERS FROM THE COMMITTEE

16. MATTERS FROM THE CHAIR

17. NEXT MEETING: **MONDAY, MARCH 6, 2017**

18. ADJOURN

**SUMMARY INDEX FOR  
PUBLIC WORKS/CIP & LAND USE COMMITTEE  
February 20, 2017**

<b>ITEM</b>	<b>ACTION</b>	<b>PAGE</b>
1. Call to Order	Convened at 5:00 p.m.	1
2. Roll Call	Quorum Present	1
3. Approval of Agenda	Approved as presented	1
4. Approval of Consent Agenda	Approved as amended	2
5. Approval of Minutes - February 6, 2017	Approved as presented	2
 CONSENT AGENDA LISTING	 Listed	 2-3
6. Las Acequias Park Improvements	Approved	3
7. High Speed Internet Project		
8. Alcohol Sales at Bike and Brew		
9. Age-Friendly Cities and Communities	Approved	3-5
10. Canyon Road Lighting Project		
DISCUSSION AGENDA		
11. Bond Defeasance & Redemptions	Approved	5-8
PUBLIC HEARING		
12. Sugar-sweetened Beverage Tax	Approved as amended	8-27
13. Early Childhood Development Commission	Approved as amended	8-27
 14. Matters from Staff	 Comments	 27
15. Matters from the Committee	Comments	27
16. Matters from the Chair	Comments	27
17. Next Meeting:	March 6, 2017	27
18. Adjournment	Adjourned at 8:55 p.m.	27

**MINUTES OF THE**  
**CITY OF SANTA FÉ**  
**PUBLIC WORKS/CIP & LAND USE COMMITTEE**  
**Monday, February 20, 2017**

**1. CALL TO ORDER**

A regular meeting of the Public Works/CIP & Land Use Committee was called to order on the above date by Councilor Peter N. Ives, Chair at approximately 5:00 p.m. in City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

**2. ROLL CALL**

Roll Call indicated the presence of a quorum as follows:

**MEMBERS PRESENT:**

Councilor Peter N. Ives, Chair  
Councilor Joseph M. Maestas  
Councilor Christopher M. Rivera  
Councilor Ronald S. Trujillo  
Councilor Renee D. Villarreal

**MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Isaac Pino, Public Works Director  
Bobbi Huseman, Public Works Staff

**OTHERS PRESENT:**

Carl Boaz, Stenographer

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

**3. APPROVAL OF AGENDA**

**MOTION: Councilor Villarreal moved to approve the agenda as published. Councilor Maestas seconded the motion and it passed by unanimous voice vote.**

#### **4. APPROVAL OF CONSENT AGENDA**

Councilor Villarreal asked to be listed as a cosponsor for #8 and to pull #9 for discussion. She wanted clarification on #8 but would talk with Mr. Guillen about it later.

Councilor Rivera asked to pull #6 for discussion and to be listed as a cosponsor for #8 and #9.

Councilor Maestas asked to be listed as a cosponsor for #8.

Chair Ives asked to be listed as a cosponsor for #8.

**MOTION: Councilor Trujillo moved to approve the Consent Agenda as amended. Councilor Rivera seconded the motion and it passed by unanimous voice vote.**

#### **5. APPROVAL OF MINUTES FROM FEBRUARY 6, 2017 PUBLIC WORKS COMMITTEE MEETING**

**MOTION: Councilor Rivera moved to approve the February 6, 2017 minutes as presented. Councilor Maestas seconded the motion and it passed by unanimous voice vote.**

Chair Ives welcomed Mayor Gonzales to the meeting.

#### **CONSENT AGENDA LISTING**

##### **7. REQUEST FOR APPROVAL OF RECOMMENDATION OF CIP HIGH SPEED INTERNET PROJECT SUMMARY PHASE II FOR CITY'S BROADBAND PROJECT IN THE AMOUNT OF \$363,094 WITH SANTA FE FIBER (ALEXANDRA LADD/LARRY WORSTELL)**

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Finance Committee (Scheduled)	02/27/17
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##### **8. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987 TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL AT THE RAILYARD PARK FOR THE BIKE AND BREW EVENT (COUNCILOR LINDELL) (ALFRED WALKER)**

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**COMMITTEE REVIEW**

Public Safety Committee (Scheduled)	02/21/17
Finance Committee (Scheduled)	02/27/17
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**CONSENT AGENDA DISCUSSION**

- 6. LAS ACEQUIAS PARK IMPROVEMENTS UNDER THE 2012 GO BOND:**
- REQUEST FOR APPROVAL OF CONSTRUCTION SERVICES SCOPE TO COOPERATIVE EDUCATIONAL SERVICES (CES)/MOUNTAIN WEST GOLFSCAPES, INC. (MWGS) TOGETHER WITH THE ASSOCIATED AIA AGREEMENT BETWEEN OWNER AND CONTRACTOR IN THE AMOUNT OF \$98,541.16 INCLUSIVE OF NMGR (JASON KLUCK)**

**Committee Review:**

Finance Committee (Scheduled)	02/27/17
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Councilor Rivera said Las Acequias was not in his district any longer but the Las Acequias Neighborhood Association is very passionate about the park and he did not see that they had any input.

Mr. Kluck said an ENN meeting was held so there was input at that time.

Councilor Rivera asked if they were all notified of the meeting.

Mr. Kluck said they were, based on the comments received.

**MOTION: Councilor Rivera moved to approve the request. Councilor Maestas seconded the motion and it passed by unanimous voice vote.**

- 9. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING A BLUE RIBBON AGE-FRIENDLY COMMISSION TO EVALUATE OPPORTUNITIES TO ENGAGE IN THE WORLD HEALTH ORGANIZATION AGE-FRIENDLY CITIES AND COMMUNITIES, AND EVALUATE OPPORTUNITIES TO IMPROVE ACCESS TO AND AFFORDABILITY OF THE EIGHT DOMAINS OF COMMUNITY LIFE (MAYOR GONZALES, COUNCILORS HARRIS AND IVES) (CHRIS SANCHEZ)**

## **COMMITTEE REVIEW**

City Business Quality of Life Committee (Approved)	02/08/17
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Councilor Villarreal was in favor of it but wanted to change the actual composition of that Commission from 25% must reside in City boundaries to at least 75%.

Mayor Gonzales supported that. We recognize to make it as inclusive as possible and the county does have active population. Many seniors. 75% still allows to invite county residents to participate.

Councilor Villarreal's other question was if the City has looked at other existing committees for duplication of responsibilities.

Mayor Gonzales said there is the Senior Advisory Committee that focuses on advising on center activities and programs. This would focus on the City as a whole for other quality of life measures and encourage more participation. So, it is far wider in scope. Up until now, it has been limited. The Blue Ribbon committee focused on this.

Councilor Villarreal will make a formal amendment for next meeting

**MOTION: Councilor Villarreal moved to change 25% to 75% as the required city resident membership. Councilor Rivera seconded the motion.**

Councilor Maestas asked in the fiscal impact report about the only anticipated costs being for a stenographer. This will require staff time associated with the committee. He asked why that was excluded from the FIR.

Mr. Sanchez didn't know. He was assumed the Senior Advisory staff would help with this.

Councilor Maestas noted that last year Council enacted financial policies and recently amended them in December 2016 that said any new or expanded service or program would require identifying the funding source for it. In this FIR, it said Community Services would absorb those costs.

Mr. Sanchez agreed that they could support a stenographer or other services.

Councilor Maestas thought perhaps there is an impact threshold and we need to make sure that it is in the record. He had asked for a project in CIP and that new principle was used to deny his request. He requested consistently to apply the principle or declare the exemptions.

Chair Ives agreed. There are some that have no similar FIR and he could not explain why one would have and another not. He suspected every ordinance change has some impact on Staff and often calls for additional effort. Our finance director might specify a de minimis impact that might be used as a threshold or identify more precisely in the FIR. The City has probably been inconsistent with it in the past, especially on the personnel side. He would be an advocate for that in this budget go round.

Councilor Maestas agreed. It is one thing to have adequate budget but having adequate staff is important. He didn't know if there are key vacancies that would provide support to this new commission but without an offset, he wanted to know there is adequate staff and not impose the load on others.



The motion passed by unanimous voice vote.

## DISCUSSION AGENDA

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  - b. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO ANALYZE THE CITY OF SANTA FE'S DEBT PORTFOLIO ON A SEMI-ANNUAL BASIS, AND ADVISE THE GOVERNING BODY ON ALL ISSUED MUNICIPAL DEBT FOR THE PURPOSE OF DEFEASING, RESTRUCTURING, OR FUTURE ISSUANCE; AND DEFEASING AND PAYING OFF THE 2008 GENERAL OBLIGATION BOND, THE 2004 RAILYARD PHASE I AND 2006 RAILYARD PHASE II NMFA LOANS (COUNCILORS LINDELL AND IVES) (BRADLEY FLUETSCH)

## COMMITTEE REVIEW

Finance Committee (Scheduled)

02/13/17

Council (Scheduled)

02/22/17

Mr. Johnson clarified there are two resolutions here. The first is for the defeasance and redemption of the 2008 bonds specific to making a public record that these bonds will be called, if the transaction is approved. The second requests of the Finance Department and City Manager to review semi-annually the debt portfolio and make recommendations for either future issuances, refinances or defeasance. That resolution has the details to defease the 2008 GO bonds (pay off entirely) and Railyard Phase I 2004, Phase II 2006 bonds. That is reason for have the two resolutions. It is recommended to the Governing Body because of high interest (4-5% on coupons). It would eliminate \$3.1 million interest costs over the next ten years and \$1.7 million in the first three years. The majority of funds to pay off the \$15.2 million comes from three sources: the CIP Reallocation Fund of \$4.2 million, whose genesis was from ending balance from the General Fund. Council can use of those funds in any way chosen. The memo at year end would go toward future capital projects or repaying debt, without strings. The second source is from the Reserve Account related to the 2008 GO bonds that would be available after defeasance. The third is an interfund loan from various utility funds for \$9.2 million to be repaid over 3 years with a small remaining balance in the fourth year.

The proposal would automatically sunset the debt mill levy related to the 2008 GO bonds so at the point in time, the property tax would go down by that small amount of the mill and that could be used for Public Works/CIP & Land Use Committee

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any legal use of property tax. The nature of this property tax would be a recurring sustainable source of funds.

Chair Ives said nothing in moving them out of CIP allocations suggests that the City doesn't have needs for significant CIP expenditures. This \$4.2 million might have been directed toward streets, sidewalks, etc. But the earnings are not nearly as much as the interest expense on the bonds and allows the City to free them up and work in more intelligent way during budgeting.

Councilor Maestas said he met with Mr. Johnson on his concerns and asked, given our newly minted financial principles (quoting from III0B) and asked if using capital improvement funds for this purpose met that principle.

Mr. Johnson said the CIP in its current form of \$60 million is working toward those goals. But wouldn't say it was to the tune of those policies.

Councilor Maestas believed in using that \$4.2 million, it is kicking the can down the road on maintenance of facilities and not minimizing the costs of maintaining them.

Mr. Johnson said because the term of the loan is so short and CIP is of that size, that there will be time out there to use that \$4.2 million. Staff's analysis is that it would have no detrimental effect on carrying out the current CIP. And if we added \$4 million to that, we wouldn't be able to execute the plan.

Councilor Maestas said that was his concern. We haven't shown our ability to get the projects out the door. It is a fiscally constrained plan and he was okay with that. But \$6 million of the \$9.2 million is GRT.

Mr. Johnson clarified that the repayment stream is GRT. The two sources of repayment are incremental changes to the more efficient investment portfolio over the term of the loan and current additional GRT revenue not budgeted is seen in the growth of our economy right now.

Councilor Maestas pointed out that GRT is unrestricted income the City hopes to receive in the future. Based on the current financial report, the projected end of year expenditures is about \$86.5 million. Our required minimum balance for the General Fund mandated by the state is \$6.6 million, which is the 1/12 required by State. But City Council decided to go above that with a 10% of expenditures with 10% of \$86.485,603 is about \$8.7 million. So, in looking at the projected ending balance of \$8.1 million, we would be short about half million dollars. So, we can't achieve our own 10%.

Mr. Johnson apologized and explained how he got that result. The total takes into account the additional 1.7% on top of the \$8.3 million. That is 10% of the total expenditures less transfers. The \$8.1 million is in addition to the set-aside amount. We have projected 2% growth in GRT and it is coming in much above that. We would take a conservative approach to budget 2% more to this transaction.

Councilor Maestas suggested it needs a sidebar on that math. It appears that we are really cutting it tight. To Mr. Johnson's credit, we are running under budgeted expenditures but he was not sure we can keep tightening our belt during the interim loan.

Mr. Johnson agreed that financial transactions always have inherent risks. Councilor Dominguez raised a similar concern at the Finance Committee and one response is that the loan term is very short so it minimizes the risk. And the Council could always renegotiate the terms of the loan.

Councilor Maestas added that in our principles and the debt in there, nothing allows for an interfund loan. He did appreciate eliminating commercial interest costs. The Financial Principles were set to quit doing the bad practices. Council has not fully restored public trust yet. He was concerned about breaking the precedent, since the new principles are "we mean it." We would need to amend the financial principles for loans but he was against using any utility funds. On page 12 of the principles, it addresses uses of excess revenues for loan funds. It says the enterprise funds can't be used for other purposes. He asked Mr. Johnson if he considered the excess investment income in the utility fund is considered as excess revenue subject to the appropriation by the Governing Body per these policies.

Mr. Johnson said the important thing to consider here is the moving target of \$160 million in fund balance is a significant part of the investment. This simply replaces one asset with another asset which is the loan. As the source of making the loan, Staff does believe this complies with the policy.

Councilor Maestas referred to page 6 of packet under potential risks, the last risk said utility funds may need the fund balance before expected. He asked would the other funds were that could be used and why we don't just use those funds and leave the utility funds alone.

Mr. Johnson said the concept is similar. All funds invested could be used for legally allowed purposes and based on the balances, it is the healthiest place to take them from. Part of doing this transaction in such a transparent way, is a way to address those concerns. It is our fiduciary responsibility to bring those that will benefit us. Rating agencies would question why we are hanging on to those high interest liabilities.

Councilor Maestas said he could not support this for many reasons. It violates our financial policies including the use of the investment income for loans. He was not convinced that we are projecting enough balance for the 10% reserve.

Chair Ives said he had asked similar questions at Finance last week. The Finance Director responded the same way here as he did then.

**MOTION: Councilor Rivera moved to approve the resolution for defeasance of the GO Bonds. Councilor Trujillo seconded the motion and it passed by majority 4-1 voice vote with Councilor Maestas dissenting.**

**MOTION: Councilor Maestas moved to approve the resolution 11b and be a cosponsor as well. Councilor Rivera seconded the motion which passed by unanimous voice vote.**

## **PUBLIC HEARING**

### **12. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING A NEW SECTION 18-20 SFCC 1987 TO ESTABLISH A SUGAR-SWEETENED BEVERAGES TAX FOR THE PURPOSE OF SUPPORTING EARLY CHILDHOOD EDUCATION FOR CITY OF SANTA FE RESIDENTS (MAYOR GONZALES AND COUNCILOR IVES) (MARCOS MARTÍNEZ)**

#### **COMMITTEE REVIEW**

City Business Quality of Life Committee (Scheduled)	02/08/17
Council (Request to publish)	02/08/17
Food Policy Council (Scheduled)	02/23/17
Finance Committee (Scheduled)	02/27/17



**13. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING GUIDELINES FOR THE SANTA FE EARLY CHILDHOOD INITIATIVE; ESTABLISHING GUIDELINES TO GUIDE EARLY CHILDHOOD EDUCATION; DIRECTING THE GOVERNING BODY TO ESTABLISH AN EARLY CHILDHOOD DEVELOPMENT COMMISSION (MAYOR GONZALES AND COUNCILOR IVES) (CHRIS SANCHEZ)**

**COMMITTEE REVIEW**

City Business Quality of Life Committee (Scheduled)	02/08/17
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**[NOTE: Items 12 and 13 were considered together.]**

Chair Ives allotted 15 minutes for each for primary presentations and asked speakers to state their name when they spoke.

Mr. Marcos Martinez introduced himself and explained the purpose of the bill and offered to speak to the legal issues of the bill.

Mayor Gonzales asked to address the Committee.

Chair Ives said he would be remiss not to invite that.

Mayor Gonzales presented and asked that staff respond to questions.

Mayor Gonzales said he was "very proud of our community that when we come together to unify on this important initiative and have different points of view on how to fund it. There is broad support. It becomes an issue of how to start and fund it. To emphasize the sense of urgency, New Mexico is ranked highest on poverty. Thirty eight percent live in households where neither parent has a full-time job. We are in a cycle of poverty where it doesn't seem to be any resolutions brought forward to break the cycle and the longer-term effects are devastating - certainly on costs to society and challenges when people are not given the right path to life."

How to we develop a community plan to change these numbers. With the help of the Community Trust, if we could address these in a positive way, it would have a big impact on us. We identified a way to change the trajectory, so that the children are born healthy with a healthy birth weight, and become kindergarten ready, and at 3<sup>rd</sup> grade, read at 3<sup>rd</sup> grade level and have mentorship. Non-profits and the City and businesses came together to dedicate funds to the goal of increasing graduation rates and make sure High School students are ready for college or the work world. And the cycle of poverty could be coming to an end.

Right now, there is not enough money to deliver high-quality early childhood education and efforts for the State to open the permanent fund for that purposes. In the Legislative session today, it is uncertain that the constitution can be changed to allow that. How can we ensure the best opportunity for all children? High quality early childhood education has proven it again and again. 85% of the brain develops between birth

and 5 years old. The reality is that a thousand kids each year are locked out of early childhood education. Many times, the education is not enough quality for the children to be ready for Kindergarten. Families would have to pay \$900 to \$1,400 per month unless they get a lottery slot.

In terms of this proposal, we laid out five key points. First, we must make sure it has high quality teachers who are certified and have a good student-teacher ratio. It should have social and emotional interactions, and be learning in dual language, moving forward in a learning environment to fully develop the brain.

The second part is educating families on why it is important to get their children into the early education. So, it is an advocacy effort.

Thirdly, it would be a hub so that families can navigate easier than it is today. A high-quality center is hard to access now.

Fourthly, it would develop a workforce of highly trained teachers to give kids the best in high quality education. They reside in our community and need funds to access the community college for that training.

Fifth, CYFD does put funds into the program but it is not enough. Key in the bills is an evaluation system to monitor progress and if there is no progress, the Council could modify or stop the program. He didn't think that will happen. New Mexico is a leader in high quality early childhood education and the Santa Fe Community College is great resource.

This effort needs about \$7.2 to \$7.3 million and we have limited ways to fund it. The two obvious ways are increasing property taxes and raising the GRT rate. With property taxes, we know what it would be to raise property taxes to even pay for basic costs of local government. Property taxes have a disparate impact on families. But with GRT revenue, we don't have any more available allotments as a City to vote on. The City Attorney's office clarified for him that the GRT option doesn't exist as an option.

He looked to other cities and found many are taxing sugar in beverages. So, he is proposing an election for a 2-cent per ounce tax on sugared beverages. That would generate sufficient revenues for early childhood education. That becomes a critical point whether there are enough in the fund to pay for these children.

One supplement is an implementation plan and the Committee can go through that. And for the actual tax to come into play. He resisted having the tax on all beverages but to help families move off of it if they were impacted by it. All the data suggests in the cities that have implemented it that there are some shared costs between the distributor and the retailers. It is unknown what gets passed indirectly to the consumer and whether the consumer would actually pay for the cost of this tax. In time, we will be able to determine what the impact is.

Because of the evaluation of economists, based on current sugar beverage consumption, there will be sufficient revenues to fund this early childhood education program. But if we don't act and instead, wait for the right opportunity, we will continue to lose our children to a system stacked against them.

Having the opportunity to meet with those who are opposed to this, it is a struggle to understand the implications of the tax upon them and never an easy conversation. But with limited opportunities for a generation of the youngest children that are sitting on the sidelines, we are accepting a system where, if you don't have access into a high-quality program, your course may find you in the corrections system instead of college.

This also is an opportunity for our citizens to get it right. If they don't like it, we will roll up our sleeves and go back to the drawing board but at least the City will have taken an initiative forward that we know could change the outcome of our community. "I respectfully ask the Committee to allow this process to go forward to the City Council so that we could have a full debate of the Council whether this election should take place or not."

Chair Ives said that was a very good statement of what is trying to be accomplished. He didn't think anyone is against early childhood education. At this point, He clarified that all statements are safe here. He requested that speakers be brief.

Mayor Gonzales asked if would get equal time.

Chair Ives agree and welcomed first, those from business who wished to speak. He saw four or five individuals who has stood to speak as an opponent of the soda tax.

**Mr. Simon Brackley**, President of the Santa Fe Chamber of Commerce, said the Chamber stands firmly in support of investing in early childhood education but also stood in support of regional alternatives to this issue. The Chamber urges restraint on this issue and urge the Committee to wait until State finances are more clearly resolved after the Legislature has adjourned and the consequences of those decisions can be learned. "You are now facing budget talks for the budget coming up in July. We would ask that you wait until you have all of the information in front of you before holding this expensive election that will restrict your options to balance our City budget. If, as is reported, you have a \$4.5 million surplus available, we would urge you to use that funding for a pilot project rather than adding additional taxes, which will not be a sustainable source of revenue. Please consider a pilot project and a possible public-private partnership before rushing into an expensive election that will reduce your options to balance the city budget in the weeks to come."

**Ms. Lynn Patrick** – "I am one of the founders, along with my co-partner. My husband and I moved out here three years ago, to start a probiotic beverage company, which is a healthy alternative to sodas. And any beverage that is sugary, be it apple juice, orange juice, or whatever. But actually, it is kind of unfortunate because are being included in the tax and I don't really understand why. So, I'm here for two reasons. Actually, a week ago, companies like Coke and others were my enemy, but now they are my ally because I only have 3 grams of sugar in my beverage and it's probiotic. But yet I'm going to be taxed or at least those companies are going to decide that carry my product. And we probably would just pass that cost on November the people who really wanted to buy a healthy product, but now are going to have to pay 60 cents extra. I am just a start up. I just moved here with my husband and I used my life savings to start this company. I have a background in holistic health, psychology, both childhood psychology and life span development and holistic medicine. So, if anyone wants to ask me about what sugar does to the body, I'm an expert. Sugar, in the form of liquid, whether it be orange juice, apple juice, a soda, or anything else, goes directly to the brain. Sugar in the form of a ho-ho or a doughnut has carbohydrates and fat. It takes three hours for the body to consume that. It doesn't go straight to the brain. My battle actually was against big soda until today. Now I'm actually beside big soda, because I really don't want to be taxed for trying to do something good for the community. I moved here to Santa Fe from San Francisco three years ago because I thought this was going to be a good place for me. On top of the Gross Receipts Tax and everything else, I think it is unfair to tax companies like me. And I think it is unfair to tax the distributors and local businesses like cafés.

"These are owned by third or fourth maybe six generations of Santa Feans who are actually going to have to carry the burden of this tax. It is a punitive tax, just like when we punish a child. If you take away

their Ho-Ho, they are going to go and grab a Twinkie. If you take away their soda, if they are diabetic or obese, it is all about sugar cravings. So, if you punish them with their soda and take it away, they're going to go find their sugar somewhere else. An addiction is an addiction. A craving is a craving. As a health professional, I have to say that I think this tax is illogical. One of the reasons why I believe that is that if you compare the tax to Boulder, they have more citizens and Boulder has 90,000 citizens and Santa Fe has around 80,000. The State of Colorado has 70 million tourists and New Mexico has 33 million.

I know when you guys consider this tax, you actually said and proposing it that you're going to make more than Boulder does? I don't know how. So, it seems illogical to me, the more I read, the more frustrated I get. Who is this Bloomberg guy anyway? Seriously, I'm a little frustrated, because I'm here first to fight for my own company. I have 4 g of sugar in a 16-ounce bottle of soda. Yet I'm going to have to be burdened with this tax. So, what is the logic behind this? When you are punishing soda, but you are not really punishing the soda companies. Coke makes the syrup that goes in the bottle. Why aren't they being taxed? Why is it that distributors, who are local mom-and-pop companies having to carry the burden?

So, I stand down, and I just say that, as a company, I fully support pre-K. But you can't just burden the backs of local, small businesses, which is probably around 20% of your population, when you are banking on tourism to actually pay for this tax, because we really don't have enough people in our town to actually base what you have proposed. So, I am standing here calling this tax illogical and I just hope that you guys decide to just stop this sugary beverage tax and let the community decide another way to support our children.

**Ms. Cheryl Sommer** – “My husband and I own Kaune's Neighborhood Market. And I just wanted to make a couple of comments that relate to the grocery business, because I'm sure that you have heard from restaurateur. But it is a little bit different in the grocery business. As a starting point, I just want to say that it is I think that it is a big lift for the City to get in the delivery of curriculum. I know that they don't plan to deliver the curriculum; they want to support a private group in the form of the Santa Fe Community College. But it is still a heavy lift and I just wonder if there is another subsidy available that can be given to private industry that is already in that business.

“We our supportive of early childhood education. I want to make that completely clear. We sell discounted products to Presbyterian Medical to support their Head Start and early childhood education program already. And we are willing to continue doing that. I also wonder if there is not something in the City, either underused or unused property that might be offered to one of the private industries that are already in this business, or tax credits or other incentives.

With that said, going forward, a couple of things come to mind from the City staffing that will be required to deliver the service, number one oversee it, if that is the preferred words, and to collect the taxes. And I do wonder how successful we have been collecting the bag tax. I know nothing has come out of that yet. That system hasn't been audited yet. But this is going to be a lot more money that you are looking for and I do wonder what the staffing requirements at the city are going to be to collect that tax

Let me give you an idea in my business, and I am a small fish in this pond. But you are imposing it upon distributors. I went through my store quickly and I have 247 items that will be subject to the tax. Think about how many more there will be in the big stores – Albertsons, the Lowes Company and others - those kinds of people. My products come from 14 different distributors and only three of those have a foot in Santa Fe - meaning that they have an office or are distributing directly from Santa Fe. So, you are looking at going outside of the city of Santa Fe and, in many cases, outside of the state of New Mexico to collect from 11 of my distributors. And I'm not sure what leverage the city is going to have over them to make them pay. So, one of a couple of things is going to happen. They are either not going to pay, they will be slow



paying, or you're going to spend a lot of effort trying to collect this money from them.

I have 70 items coming from a distributor in Dallas; I have 14 of them coming from a distributor in Denver; 31 of them are coming from a distributor in Amarillo. And that particular distributor operates on a co-op system, which means the prices have to be the same for everyone. So, how are they going to structure their payments so that they can charge me an additional tax or everybody in Santa Fe an additional tax? I think that something that has to be considered.

On a personal level, I just want to tell you that one of the things that we do as a competitive advantage for us is we look for special products not everyone carries in Santa Fe that helps us differentiate ourselves because we are smaller in need to do that. I'm in a difficult situation. If it makes it too difficult for the distributor, they just won't do it. They won't pass on my order - either too high for the minimum so that I can't afford to do it, and that would be a competitive disadvantage for me, or take away one of the advantages that I have sought to establish.

On the consumer side, price increases, which will occur, I don't think it's reasonable to expect that either the distributor is going to bear any or all of that tax, or that a retailer or a restaurateur is going to be able to absorb any or all of that tax. And, for example. Any price increases are going to be regressive. On a can of Coke, 53 cents in my store now. I'm not the cheapest. But this tax adds \$0.24 to the cost - not the profit, the cost. And I'm going to have to market up. So potentially, can of Coke is going to go from \$0.53 in my store to 86 cents. That's a 38% increase on a 12 ounce can of Coke. Maybe you want to push people from buying those beverages, but then there is a couple of things to consider. And I know it's been said, and I know you believe it won't happen, but in Philadelphia, it is happening. Sales are going down on those items. And the irony is, you need all that money to fund that program. The health benefits that you're seeking to improve by getting rid of the purchase of sugar beverages will be a difficult stance for your program. You won't have the money for your program. Or, people will go to the county and buy those things but they won't just go buy sodas. They'll go by all of their groceries somewhere else. And that will hurt the businesses in Santa Fe.

Chair Ives noted she had spoken about six to seven minutes.

Ms. Sommer said he was then and complemented the committee while they do for businesses in Santa Fe, but this is one that will challenge businesses in Santa Fe.

**Mr. Jim O'Neill** said, "I'm all of O'Neill Consultants. I have an office in Albuquerque. And I am here, first of all, Mr. Chairman, and I want to make a query. Did this get passed out - the analysis from Northbridge?"

Chair Ives agreed. All the members have it and it will be in the record.

Mr. O'Neill said he didn't do it but Kevin, from Northbridge did it but couldn't be here. "I am on contract with the American Beverage Association, just to make sure that everybody knows. The previous speaker noted that the average price increase will be 38% for her. If you notice, in the study it talks, using national data that the average for everyone in Santa Fe will be a 38% price increase at retail. Economists don't usually deal with percentages that big. Usually 2-5% is a reasonable increase. This is a fairly large jump. The only analysis recently, was what happened in Berkeley. And within Berkeley, it took about six months for the effects to work out. And there was a very large decline in consumption. The Northbridge study uses national data. I did something that is perhaps unethical. I went out and looked at prices right here in Santa

Fe today. This afternoon, I went out, looked at Albertsons, Walmart, and Smith's and just tripped a really small sample. For a 12 pack of 12 ounce cans, which seems to be the most common unit that these products are sold in. The highest price I found was \$4.99. Averaging it out, I found that the prices per ounce range from about 3.1 cents per can to about 3.4 cents. If you add the tax on top of that average, the increase is around 60%. Actually, these studies underprice the impact. Which means that for the large stores, perhaps not for the small stores, there's going to be an even bigger decline in consumption. A bigger decline means you get smaller revenue and perhaps a little less certain. And I think, Mr. Chairman, we also note that another study was done on by Donovan and Associates about the potential employment impact and they forecast roughly 77 jobs are at risk. And I think, Mr. Chairman, if you want to get into this, there is more detail in the report.

Chair Ives didn't think he had seen that study.

Mr. O'Neill said if he found a copy of it, he would get it to Chairman Ives quickly.

Chair Ives thanked him and make sure it is part of the record.

**Mr. Kevin McBride** said, "Mayor, this is the fifth time we've been together discussing preK. I admire your charm, I admire your eloquence and I admire your tenacity. I think there are some hard questions that the Mayor has not answered yet. And I help between now and March 8, we have a chance to talk about those. I'm only going to talk about one. I want you to begin to think about putting a face on the person that's going to pay this tax. I got involved in this because I employ 25 kids in the summer between the ages of 15 and 21. They drink a lot of these sodas. This tax potentially, will cost some of them \$10 a day.

This afternoon, I went to two supermarkets - one on the southern part of town and in fairness to District For, District 1, and District Two, it was Food King, which is within a half-mile of each of your districts. That pile of products over there - two Gatorade's, iced tea, a 64-ounce soda and a gallon of Tampico, costs \$7.27 at Food King. The tax on that will be \$7.68. That's not a small increase in price for the people that shop at Food King. As you are trying to put a face on this tax, I would encourage each of you to go to Food King, look at the cards that the people there buy and ask yourself if these are the people you want to tax and have pay for preK.

The other one, and I know this is an unfair comparison. I went to Whole Foods. There is a bottle of 100% Odwalla Mango Drink that was \$7.49 at Whole Foods. I think the question you need to ask yourself is who is going to pay this tax and is that a fair way for us to fund preK. You know your constituents and where they shop and what they buy. You should ask yourself that question.

Chair Ives asked how many would like to speak. He counted 14 hands and a total of 16. He allotted them two minutes each.

**Ms. Julie Pershing** – "I am a doctor of Oriental medicine and I also am a personal assistant for Floyd Berset at Santa Fe Root Strength and here representing him, as well. I want to express my honor and gratitude for all the ways that you, Mayor Gonzales, have fought to tackle this and I realize that it is hard and I respect that. I don't want to say this in a smart aleck way at all but in a very straightforward way. I'm not seeing the logic in simultaneously taxing sugar beverages while discouraging people to drink them – from a logical standpoint. I'm very much in support of health, as it is my profession, and of education. And I hear what you say about needing to beat the clock. And I very much like your idea of, 'hey, if it doesn't pass, then we just roll up our sleeves.' And I would ask that we save our time and energy and resources and roll up our sleeves without going to a vote. That's just what I would prefer.

I also wanted to ask you, and if you cannot answer it right now, that's fine but maybe sometime before March 8<sup>th</sup>, you had mentioned that were no more allotments to put out to the public to vote on. At some point, I'd like to know what that means exactly and why. In other words, just a little more clarification.

The other thing I didn't understand was your statistic on brain development by age three that 85% of brain developed by age of three. The average person only uses about 10% of their brain in the first place. So, I was just a little bit confused on that.

The other things I wanted to say is that diet soda use something called aspartame. And it is a known neuro-toxin so I don't support that either."

**Ms. Caitlin Jennings** – "I am the owner of the Kombucha Project which is a local business that has been here for about 10 months and is, I'm proud to say, the first kombucha brewery in New Mexico since that really hit a craze a few years ago. I just want to echo everything that Lynn Patrick said about the lack of distinction between beverages that are fermented and made with sugar and sugary drinks and the way that they can affect people's lives .

I have not had the opportunity to fully read the goal. I was just notified about it and the first reaction I had was a moment of panic. I started my business. One of the things I committed to on opening was that I would not pay less than a \$15 per hour minimum wage. I saw kombucha, which is currently fastest growing sales of non-alcoholic drink in the country, as an incredible opportunity to bring to New Mexico. And hopefully it would become the first b-core kombucha company in the country. This tax, while I understand the nuances and the difficulty in finding the money, could significantly impair our efforts to benefit the local food chain by using some of those funds to provide resources. I also want to say that an increase like this across so many types of beverages may actually favor sugary sodas in a way that you might not anticipate because natural beverages are costly to make and more expensive than other sugary drinks. And there is a certain point at which the consumer will default to price planning. And so they may choose sugary beverages instead of more healthy options."

**Ms. Danila Vidobski** – "I am the proud mother of a three-year-old. I don't have any props with me tonight but I have a phone full of really cute videos and photos of her and that is why I am advocating for her tonight. Mr. Chair, can I approach the Committee just to hand you a couple of materials. It is actually the list of all the businesses and organizations that are in support of this."

She asked those in support of preK in Santa Fe and of a two-cent per ounce tax on sugar-sweetened beverages to fund preK to stand and many people stood up as she mentioned several that were on the list. She said, "This is a movement for and by Santa Fe. We are ready to vote for it this spring. Please allow us an opportunity to vote."

**Ms. Carmen Gonzales** – "I am a resident of District 2 and it is interesting to be back in this room. I was on Student Council in this room when I was a student at Santa Fe High School. That was a long time ago. Coke could have handled this differently. First, they could have admitted that they understood why Santa Fe might want to reduce the sugar intake of its residents. Sugar has no essential nutrients. It is bad for your teeth, gives you heart disease, causes insulin resistance, it leads to obesity and diabetes, changes the brain to crave more fats, is highly addictive and raises your cholesterol level and causes fatty liver disease just like alcohol does. Coke has been absolutely silent about that. However, in New Mexico, 34% of kids are overweight or obese. About 80% of obese people get type 2 diabetes – diabetes is self-inflicted by a bad diet. Taxpayers spend much more – about \$100 billion more is spent on diabetes, more than is spent on cancer at \$322 billion a year. That is why we might think of taxing sugary drinks. You wouldn't put 9 teaspoons of sugar in your morning coffee but that is how much sugar that Coke puts in their 12 ounce can.

The second thing that Coke could have done is stop trying to scare everyone about who is going to pay the soda tax. They have been scaring their own employees, claiming if the distributor has to pay the whole tax, they will close down and move to Albuquerque and/or lay a bunch of people off. This is the same thing they did fourteen years ago, Coke sued Santa Fe in 2003 to stop the living wage. They claimed it would put them out of business. They were not being honest with you, or with us, and they are not being honest with us now. Coke is all over northern New Mexico so they have plenty of places to continue to sell their products with no tax. Coke sells many non-sugary drinks that they could substitute for sugary drinks – Diet Coke, etc. Coke's fastest growing and most profitable size is 8 ounces, for which they charge twice as much per ounce as larger sizes. So, Coca-Cola of Santa Fe is doing very well, thank you. They can afford to pay some of the new tax. In fact, in other cities with the soda tax, like Berkley, the distributors have done exactly that, by picking up half of the tab.

Her time was up and she shared a copy of her printed testimony for the record.

**Mr. Jon Hendry** – “I am the President of the New Mexico Federation of Labor and I can't in all good conscience not talk about the workers of Coca-Cola. I want to say unto the workers that are here, I don't want to make this a union against non-union thing. I don't want to consider the jobs that we will create through early childhood to be better jobs because they are union. Two each and every Coca-Cola worker, you will be hearing from us. Because I want to offer you a union card, a job with dignity, a job with decent benefits, a job that you will have a union to go to when you have a problem. And we're going to work with Coca-Cola workers to make sure, if 77 people lose their jobs in this town, we will make sure that 77 will get a good strong union job, a job you could get up every morning and know that you are going to be treated with respect in the workplace. And we are going to make sure that these workers are taking care of. Let's get that off the table.

The second thing I want to say to the people of Santa Fe, we want a chance to vote on this. I have so much faith in the people of Santa Fe. I raised my kids here, married a wife here. This town means so much to me. Give us the opportunity to vote. That's all we are asking for. I really believe that the people of Santa Fe will gladly pay a quarter every time they get a soda and think about kids. I don't think that will be a problem. We are not asking to argue the sugar tax. We're not asking to argue pre-K here. We are not asking to argue good jobs here. We are asking for an opportunity to open the debate and have that discussion so we can vote on it and move on. No more trucks running around the town with lies. No more people threatening. People are calling me to say 'We should boycott Coke. We should put this off and boycott Coke. We should put them out of business.' Why? This is a good local business. These are good jobs. These are good union jobs. I don't want to see Coke go out of business. I want to be there and get this up there. I want to get an honest debate. I want the people of Santa Fe to have an opportunity to get together, talk about this, discuss the facts. No more consultants from Albuquerque. Let's get together and talk about how we are going to do this and how we are going to move the City forward.”

Chair Ives understood people will speak on both sides and many people feel passionate about it. Because it is a public hearing and a learning session, the objective is to hear the testimony and not to declare winners and losers and so he asked the audience to hold your applause.

**Ms. Stacey Quinn** – “That is a tough act to follow, Mr. Chairman, Mr. Mayor, Councilors. I am the board chair of United Way of Santa Fe County. And I am a resident of District 1. I've been in early childhood education for over 20 years; raised my two kids here. They both went to preK in this wonderful town and one has graduated in four years from college and the other is on track to do so. I firmly believe that every child in this town deserves that same great start so that they can be successful for the rest of their lives.

I applaud the Mayor for looking at all the options and coming up with the sugary drink tax. My husband owns a small business here. He happens to be a physician and the health benefits that will be realized, as well as the income, I think will go a long way. And our children and this whole generation of children deserves that.

**Mr. Edward Kliner** – “I’m a pediatrician and have had the privilege of practicing in Santa Fe for 40 years. And I’m very glad and proud that Santa Fe is considering both of these issues. Obviously, the preK, as everyone seems to agree that there is really no question, is really great. I feel that anything we can do to improve academic, behavioral, and social abilities of children in Santa Fe, we are absolutely obliged to do that.

As far as the sugar tax is concerned, I was not planning on speaking on preK today, not having realized that it would be such a key part of it. I have to say I have extensive experience and problems facing our children. And obesity and sugar consumption are absolutely up there as far as the core of so many of them. A major part of my counseling your all my well child checks is talking about nutrition and healthy eating.

I would have to say that the argument that consumption will decrease from this tax is very confusing to me. Anything that can be done that is going to decrease consumption of sugar is absolutely in the favor of our children. As far as the decrease in funding, I don’t pretend to have any insight into how that mechanically can work. But if we have successful programs instituted, then we can seek alternative funds of financing that. So please don’t let that be an issue. If we are looking at the whole child, we are looking at both their health, nutrition, the propensity toward diabetes and obesity. And if we can do that in any way by decreasing consumption of sugar, we should do that. I just want to add, as far as the early childhood effort, I retired a year ago. I’m on the board of a school here called the May Center for Children with Learning Differences. If we could possibly, through the early childhood programs, get earlier diagnostic evaluation of children and tune into their learning issues sooner, we will be making a major contribution to these children’s lives.

**Mr. Jay Bainbridge** - I have been an educator in the field of early childhood education for 29 years now. I have been there a long time. I am a member of Early Educators United AFC. I am the vice president of the committee on political education and also on the executive board. So I have been around for a while.

I am excited. I fully support this. I have been coming to Santa Fe for the past several years to fight for legislation for early childhood education and it’s really exciting to see the people looking at different ways and being innovative to try to support young children. I hear, ‘What about our grandchildren?’ It is all about laying the foundation. And the way we can lay the foundation now is to get children into quality early childhood facilities and getting the educators the salaries they deserve.

**Mr. Mia Acosta** – “I wanted to make a point about the comment about the cost of soda doubling with this tax. That doesn’t speak necessarily to the tax being too high; it speaks to the soda being too cheap. And that is part of the conversation and conflict here that is missing. For generations, Coke has been functionally targeting low income children, minorities, etc., with this poison, with this drug. One of the ways that they do it is keeping the price artificially low so they can get people hooked. PreK, on the other hand, is not a drug, its inactivation. It’s something we’ve waited for years to have. There are no adverse effects; there is no negative side effect or allergic reaction. You can’t overdose on preK. It provides immediate positive impacts and helps make happy families without the stress of who is taking care of my child. We can’t wait any longer. I spend 10 hours a day working with poor families and they ask if it is going to happen this time or if someone is undermining it. We need to get away from politics. It works.

**Ms. Bridget Wells** – “I live in District 3 and I’m here to speak in favor of the soda tax. I am a school teacher at Santa Fe Indian School and my husband is a fourth-grade teacher in Santa Fe public schools. I am a mother of a four-year-old who currently attends the public preK program at Cesar Chavez Elementary school and I have a two-year-old who is in private day care right now.

I could talk a lot about why this is important from an educator’s perspective but I think you have heard that tonight. And I could talk about it from the health perspective that I think you for that also. From a parent’s perspective, I have to say that the ability of my 4-year-old could have access to his free public education has made all the difference in our family. It has made it possible for my husband and I to both be public servants and see our child grow and develop in a public school system that we hope to see through for the next 20 years. That being said, I also share concerns of some people in this audience about the funding. Putting a face on this tax is something to take seriously. The preK should have happened yesterday for the families of Santa Fe, for the parents of Santa Fe, for the kids of Santa Fe. But for the Council, on future initiatives, please consider who is being taxed and how that tax is going to play out.”

**Ms. Sasha Anderson** – “I’m a resident of District 1. I’m here also speak in favor of the soda tax but also raise some of the same questions that others have spoken about. I came here from New York City a year ago and prior to that, was born and raised in Oklahoma, both of which are places that have universal preK. So, I relocated to Santa Fe in two places that had preK and two places that didn’t. I’m truly happy to be here but I’m also very happy to see that preK his getting off the ground. I and also an indigenous American. I am enrolled member of the Choctaw Nation of Oklahoma and I’ve seen first-hand, while I don’t purport to speak for all Indigenous Americans, I have seen first-hand the problems that obesity had leaked across Indian Country. I am the mother of two children, one of them is 18 months old and my husband has to stay home with our children as we only have one income. The other child is 3 ½ years old and in a private pre-school program, of which I am on the Board. I’m also the daughter of an early childhood educator and she would ask that we all cut off our left feet before we didn’t pay for preK but she’s not here now so you don’t have to worry about that.

I’m head of a household that is well below the average income level of Santa Fe. So, when we talk about putting the face on some of the people tonight, I think I am one of those faces. And I am very much in support of preK. And I am here to do anything I can for it. I don’t support drinking a lot of soda but I also have to think that the impact of the cost of a can of soda has a much greater impact on low income families then on the folks who can afford to have a second home in Santa Fe, or even those who can afford to send their children to one of the excellent private preschools of Santa Fe.

I don’t doubt the due diligence of the Mayor. I know he supports the preschool initiative. But I ask that before we are able to vote, and I sure hope we are able to vote on this, that I hope but those who are in support of preK for Santa Fe, do clearly express how and why this impacts low income households and why they may not be the households that we are targeting as opposed to other households. I believe we would like to hear that question answered very clearly.

**Ms. Maridy Talbot Zoran** – “I want to express support for the preK for Santa Fe initiative. As a new mom, this hits close to home. But I wanted to share a statistic that I thought important. There was a study done by Center for Poverty Research that showed that children from the lowest economic quintile - bequest kids, by the time they are 4-years-old are, on average 18 months behind their peers. So, it is this delay and this disparity that really has me standing up here tonight. I really hope that this exciting opportunity for an intervention - and I really think that the people of Santa Fe are ready to support preK for Santa Fe. And I really hope we have the opportunity to do so. Just a reminder that children’s brains don’t wait.

**Mr. Morty Simon** - 1400 Canyon Road. “I think it is important to pay attention to the price. I understand

the anxiety. I ran a law practice many years ago. And running your own business is hard and you don't welcome extra expenses. But to be precise in the expenses is useful. And particularly here. Someone said the 25 kids that he employed would spend an extra \$10 a day. That works out to 500 ounces of Coca-Cola or like 41 Cokes. Do you really want to say to them, I'd like to keep this as cheap as possible so you can drink 41 Cokes a day and pay \$10? Or don't we want to say, 'You bet we want to raise the price of Coke. We raise the price of other things that we think are harmful and we use that to discourage use; we use that to make sure that public services can be funded. One thing about being profitability and position of the retailer, a Coke at a restaurant sells for \$2.50 and costs \$0.20 to make. That's their costs. And that is more than a two-dollar profit for every Coke. That doesn't mean that the restaurant doesn't have other expenses but that's what they're making on a Coke. We went from restaurant to restaurant to see what the prices were and \$2.50 is the common price. And \$70 is what it comes out to and that is from a CEO of the distributor here in Santa Fe.

Everybody is arguing about if the distributor has to pay the whole freight or the restaurant has to pay the whole freight. If the consumer has to pay the whole freight, that is not how these things work out. It is not in the financial interests of the distributor to put all of the expenses on the consumer because they undercut their market. And if they are competing with someone who absorb some of that, they maintain their market share. So, let's put a little bit of common sense back into what happens in the marketplace.

**Ms. Debra Van Hecke** – "I live in District 2. I am a bilingual special language pathologist. I work for New Vistas as a specialist in birth to three. I've been a speech pathologist for 40 years; 30 of them here. And because I am bilingual, I go into some pretty poor homes here. My point is, if you think the soda tax is expensive, what is happening to our children is going to cost so much more. There are kids sitting in front of the TV watching telenovelas that are very violent. This is not good for their brains.

My other point is that it is obscene to me that a good quality pre-school costs more than attending UNM. This is out of kilter and it is not fair. If you want to talk about equity, I see an equity is this situation. So, I strongly support this initiative. Thanks.

**Ms. Janet Graham** – "I live in District 3, I am a retired educator and school administrator of 42 years. 25 of those years were spent in primary education. I would like to express my support for the preK initiative. I went to address the urgency as Mayor Gonzalez brought up for in passing a vote for a referendum. The City of Santa Fe currently has a thousand three and four euros who are not receiving a full day of high quality preK instruction. Think of it in this prospective. There are a thousand students attending Salazar Elementary, Wood Gormley, and Nava Elementary, combined. Every year, that we fail to fund a preK, a thousand more will enter Kindergarten without the quality education preparation to succeed in school. We can't wait for water to step up for this. High quality training and access to all families for full-day instruction will give them a head start. Let's not create a situation where another thousand have to play catch up during most important primary years. We all know that when children have a positive experience in their first few years of schooling, it fuels their desire to stay in school for the long-term. All of our families need access to full programs now. This initiative gives them that access.

Ms. Jennings, who spoke earlier, began speaking again from her chair. Her words were inaudible before she came to the microphone.

Ms. Jennings said, "In the State of Ohio, with a state-wide sugar tax, obesity has increased and that is a fact. I'm a health professional of 25 years in person. This whole sugar story is like 'sugar is sugar' whether it is in a donut or a beverage. I actually am included in the sugar beverage tax and so are a lot of other well-meaning beverage makers who have waters that may have one gram or two grams of sugar. I think we all need to... I keep hearing this word 'Coke.' In Santa Fe, it is called the Hart family. They are an Public Works/CIP & Land Use Committee

actual family. They are not Coke. They don't make it. They are actually a family who have been there trying to create jobs. It's not just Coke that's being taxed but many others. And I don't understand why a Coke that has 30 grams of sugar is okay to drink and then make someone think that a glass of apple juice that has 40 grams of sugar is okay for the body. That is misleading. You are making your people think that it's okay to not have a Coke but I can have a diet Coke. Diet Cokes have been proven to be worse than actual sugar beverages because of aspartame which is a neurotoxin. It actually causes diabetes because of people's sugar cravings and need some sugar. So, we need to stop discriminating against Coke and just some beverages because all sugar is bad.

Chair Ives informed her that she had exceeded the one minute granted to her.

The public hearing was closed at 7:02.

Councilor Maestas thanked all people for attending and sharing their positions on this issue. He supported preK and served as Chair of Voices for Children, who publish Kids Count each year. He came from small family-owned business. His father was a science teacher and his sister was a PE teacher so he understood the importance. He would not stand in the way of a referendum but people elected him to ensure the proposals are sound enough and ready for their vote.

He asked if the purpose here is about preK or to get behaviors to change from drinking sugar beverages, or just to change their purchasing behavior. For him, the real compelling question is whether the government should take the lead in this and collect a significant amount of money in a brand new tax. That was his concern. Every city government has core functions and the City is now going through an assessment. Should we provide this service and at what levels? It is a significant process to undertake. He knew that some speakers were talking about how it should be state funded through the state instead of just pockets and whether other organizations should be the lead like the public schools or community college.

This is a nontraditional city and it does provide some safety net services. Santa Fe is unique and has a generous city government. But taking on this responsibility is not a core function and by taking it on would make it a de facto priority over other services. We are not a tax collector. Of the traditional city revenues, we don't do the best job. On Wednesday, Council has an agenda item to write off about \$2.7 million uncollected utility accounts. Council hired a commercial collection company for the large amounts in uncollected parking fines. This is an expansion of government in the midst of austerity. Council just imposed \$9.2 million in cuts and hasn't determined the impact yet.

We are also working on a strategic plan. I don't recall including a question about preK in our survey to find out what our community wants and if the City should take the lead in this regard. This is an excise tax. He asked the Mayor if, in soliciting, whether it is allowed for collecting public money to provide for some private purposes or is an anti-donation prohibition for the organizations that provide early childhood education. If it cannot be addressed now, he would get with Mr. Martinez about it. It has sometimes forced the City to do unconventional things, like charging a dollar/year for recreational facilities. He just wanted to make sure this doesn't run afoul of the constitution.

Regarding the financial policies, the policy recognizes GRT fluctuates a lot, but the principle is reduction of relying on volatility. The bag tax peaked out and the revenues plummeted. We just need to make sure we don't raise expectation on a revenue source whose future is unpredictable. We don't know where it might stabilize. The policy has established criteria that include competitiveness, diversity, fairness efficiency, and alignment. It was inconclusive in the FIR what this will cost to enforce the rule and actually collect the money. If this goes to a ballot, we need to look at the policies already in place. This is a worthy effort and we know the importance of preK. But it lacks the proper context. We don't have a special election



proposal yet or rules and regulations speaking to the enforcement of this ordinance. It would be good to have all of those missing pieces up front to help the public understand it and what the city's role will be and even funding perfections. Philadelphia just recently imposed theirs so there is not much history.

Councilor Trujillo said this could divide the community. He received calls from people in the community that were not really nice calls because he hasn't jumped on board. He raised two children here in public schools and his kids didn't have preK. But he and his wife did a pretty good job raising them. They say we don't care but we do care.

We have a road map. We will hire people on staff and use a private vendor for collections. All these costs will take away from the imitative to provide funds for children. A lot of things still have not been answered. The City tax affects people from out of state. The talk is about Coke. The Hart family owns Coke here and they have contributed a lot to our City. Nobody knows what will happen.

But it is unfortunate for this local woman and her husband who are starting up a business that could be damaged by this tax. He has talked with a lot of people about the bag tax who don't shop here anymore. If this tax is imposed, they will shop someplace else. Are we ready to lose that revenue? He added that he has not kept up with the legislature and what bills are about preK. Everybody that wants preK should talk to the Legislature. We need to tap the permanent fund for that purpose.

When talking about poverty and how they are the most affected, he didn't know what is happening with the Verde Fund yet.

He asked if the sugar tax is sustainable. He didn't think it is. Once this fund starts drying up, he asked if someone would bring another tax forward on anything that is bad for us and advocate to tax it for our children. That is the message people are getting. Last year, a 2-cent per gallon tax on gasoline was proposed. It would be paid by everyone who fills up here and would pay for road and bridges but in discussion, Councilors were told it is not the right time.

Roads are deteriorating and the GCCC roof leaks. We want to give a raise to all of our employees but have to look at our finances. We don't know where we will be at the year end.

Beer is going to be cheaper than Cokes. That's how people will think of it. We bring forth initiatives and it pits one segment of the City against the other. I shop at Food King all the time. Great prices. Compare what it costs now and what it will cost with the tax. As a parent, I choose what my kids consume. It is my decision as a parent.

There is still a lot of work to be done on this bill. The Mayor wants to push it through right away. Is there a specific item we could all come to a consensus about? I don't know if those are still options. Nobody is against preK. I would stand up for it but it is how we are going to fund it and whether this is the right way.

Councilor Villarreal thanked the people here sticking around for this discussion. She had her own questions to understand processes. There were questions about differentiation between sugar beverages and those sweetened by natural sweeteners to look at differently. She saw them as different from sugar or high fructose syrup to understand why they are all grouped together or separate from the natural products.

Mayor Gonzales noted he introduced an amendment that would, in listening to businesses, only have the tax applicable to those beverages with 5 grams of sugar or more. That is a start in being responsive to smaller businesses in Santa Fe and to provide healthier options to the public.

Councilor Villarreal was not in favor of imposing more taxes but agreed with Mr. Acosta that some companies do keep prices low to affect lower income families and children. It is not just soda but other items that might be taxed. She asked what some of them are, other than soda.

Mayor Gonzales said it is any sugar sweetened beverage, including those at Starbucks that are in the drinks. Certainly, any beverage intended for human consumption in bottles or from concentrates, if my amendment is adopted would be on those above five grams.

Councilor Villarreal added on implementation, that from her research, it is not just internally implemented, but the process in which the City taxes. There is concern about consistency. As we collect lodgers tax, it is not always consistent, because some don't pay right away. She needed clarification on the process and how collection would be funded and also, how we pay for a special election.

Mayor Gonzales said the process for tax collection is through third party vendors who have those in place for compliance in collection for the City. We would put out an RFP for a company to assist in those efforts. If the election happened in May, it would not be in place for six months following and the City Manager could choose a vendor for those from whom it would be collected. Some of that was in the discussion roadmap given to the Committee.

Councilor Villarreal asked how much it would cost to pay for a third-party vendor and the election.

Mayor Gonzales said Finance estimated between 3-5% for administrative costs. The funds for a special election would have to come from unallocated city revenues in place and the City Attorney was looking into how to pay it back. But there are funds now that could be allocated

Councilor Villarreal asked how the tax would be passed down from distributor to retailer and how it would affect prices. If passed down by distributor, she asked him to explain how Kaune's could handle that. There are a lot of unknowns.

Mayor Gonzales agreed there is no clear path. And when you look at other cities whether the tax is on distributors instead of retailers, there is no clear evidence either way. After the distributor is assessed, some distributors might choose to allocate different than others. What happens after that is up to the distributor. They have their margins to absorb it. Many distribute much more than just sugar beverages. He didn't pretend to offer any legislation how they could absorb it but wanted to keep it as simple as possible how distributors would handle it. The third party vendor would handle compliance with every distributor who serves into Santa Fe.

Councilor Villarreal asked why the City would manage the early education program. The answer she was given was that the third party would handle it. The City has a role here but she questioned what it is. She asked if the City is hiring teachers for preK. There are a lot of pieces to this and she wondered how the implementation would work.

Mayor Gonzales said the programs criticized for improper implementation were all overseen by the Council, but to say the City doesn't have the capacity to implement properly is not correct. We want to make sure the collection and distribution to go directly to the children will happen and we already have processes in place. Collection happens with the third party. Disbursement would be in partnership with the SFCC as a subject matter expert and partner with City in allocating monies to the institutions. There are 50 in place today. So, it is fully mature but for lack of funds, cannot fully deliver to all children. So, the implementation plan shared here tells how we would solicit proposals and distribute -prioritizing for those most in need. They would be the first recipients.

This implementation draft plan is in response to the Councilors' questions - a step-by-step process to include the Early Childhood Education Commission the Council would appoint. CYFD does put funds here in Santa Fe and so does United Way. Regarding anti-donation, he would provide the clearance for that. The Council every year allocates grants for children and youth. The key question for voters is whether we want to have the oversight for a positive outcome. We may have disagreements but he believed Council can act with proper oversight.

There has to be an independent annual report on how it was collected and how disbursed with an evaluation tool and report back to the Council through the evaluation tools to determine if children are learning. If not, the Council could not choose to use the tax for any other purpose, the tax would stop. This tax would be severely restricted only to early childhood education. Then the tax would stop if not. That is included in the evaluation and assessment. Small business impact would also be part of the evaluation.

Councilor Villarreal noted that the early education commission makeup is extremely important. It must be diverse and representative of the population served. There is some discussion in the implementation and she would have to digest that.

Councilor Rivera asked if there are a thousand kids on waiting lists.

Mr. Sanchez agreed.

Councilor Rivera asked how many families might have seen the long waiting list and lost heart

Mr. Sanchez -did not have that data but could look for it.

Mayor Gonzales agreed to get those numbers for him. It cuts across the spectrum.

Mr. Sanchez said he could get the numbers for the programs the City funds.

Councilor Rivera asked if many of these other organizations have the infrastructure to handle that thousand kids.

Mr. Sanchez said they would have to gear up for it.

Mayor Gonzales said he has exact data on how many seats are not filled for lack of resources and it is analyzed by district. It is important to recognize that if passed, the day the service is available, it would be great to have a thousand kids show up. But it will take some time for outreach with parents -

Mr. Sanchez said they would be ready to get kids into the programs.

Councilor Rivera asked if the City knows the location of the five-star facilities.

Mayor Gonzales said yes and you can imagine where they are and where they are not. They are dispersed throughout but the majority are east of St. Francis Drive. Schools have the capacity in place but there is need for more facilities on the south side. The YMCA cannot move from 3 star to five star because the children served don't have enough funds or State subsidy. The money could go to centers ready today and those who have built a plan to get to five star. That speaks directly to those not able to get to five stars because they cannot pay teachers enough.

Councilor Rivera asked how much staffing is needed to collect the tax.

Mr. Sanchez said one FTE would be needed.

Mayor Gonzales added that all of it would need to be approved by council.

Councilor Rivera said right now only the wealthy can take advantage of preK and that is not acceptable. The voters should have the say to support preK. He would hope for early voting and weekend voting to be available to give all residents the chance to vote. He supported it and asked to be a cosponsor. Thanks for making us all accountable to our kids.

Chair Ives said many issues have been brought out from the public hearing and the Councilor questions. These types of issues are not easy but we are all committed to see our kids succeed and we want to make sure it takes place. It is important enough to seek solutions now.

Chair Ives wanted to move it forward to Council where there will be another public hearing. It is important that on these issues, we move forward as a community, understanding there will be challenges to ensure people are fully informed and have all the information needed to make a reasonable and prudent decision. The Hart family has been a friend for many years. There is nothing in him that would wish them any harm but we are called upon here to put aside our friendships for the good of the community.

No more GRT is available but perhaps we can find other sources to help with our children.

He suggested a motion now and take amendments and bring it to a vote.

Councilor Maestas asked if Chair Ives would consider a do pass in light of the information just being received.

Chair Ives appreciated that but was in favor of taking action, affirmative or negative. It seems we always get more information and appreciate the submissions to our Reporter and encourage everyone to review those documents.

**MOTION: Councilor Maestas moved for a do pass. Councilor Rivera seconded the motion.**

Councilor Maestas hoped by the Council meeting, they would have all the pieces. The elections should have been a companion to this and there is no document on rules.

Mayor Gonzales pointed out that they needed to have approval from two committees to bring this to the Council meeting. He asked if a do pass motion would meet that rule.

Chair Ives said the rest is for approval and a do pass motion has the net effect to approve.

Councilor Maestas agreed. It moves it forward with recognition that questions might be answered. From past experience, we've moved it along with the understanding that questions would be answered.

**MOTION: Councilor Rivera withdrew his second and moved for approval. The motion was seconded by Councilor Villarreal, although still confused about do pass.**

Chair Ives asked to consider the amendments next and then take action on the motion as amended.

Mayor Gonzales asked the Committee to consider allowing the change to apply only to beverages with 5 or more grams per 12 oz. drinks to allow for low sugar alternatives. Or he could ask for that at Finance.

Councilor Villarreal needed more information about it from an expert whether it is the right amount.

Mayor Gonzales said it is to alleviate the burden on smaller businesses and could be modified.

Councilor Villarreal was willing to accept that and possibly adjust it later.

**Councilor Rivera agreed to the amendment as friendly.**

**Councilor Maestas proposed an amendment on page 4, lines 16-17 - deleting language and removing ambiguity regarding which distributor would be accountable to just make the first distributor accountable.**

Chair Ives said they would have to work to be more clear on the impact of these amendments.

Ms. Patrick agreed to bring them to the next hearing.

**Councilor Maestas proposed an amendment on page 8, line 8 to change “may” to “shall” and on page 10, lines 9-16 to delete all the language that involves a retailer and tax the distributor, not the retailers.**

He commented that this is not a tax on retail sales, but on distributors.

Mayor Gonzales agreed. It must fall on the distributor, not retail shops.

Councilor Maestas said he did his homework despite the information delays. He supported the initiative for preK education but needed to make sure the building blocks are in place for an informed vote. It has been a difficult process. Democracy is messy and he needed to be patient.

Chair Ives summarized that Councilor Maestas has proposed four amendments -

Councilor Maestas said he would withdraw all those amendments but couldn't support it right now and maybe the Mayor will meet with him to clarify them.

Chair Ives thought many of the were acceptable now. No point in not adding them.

**Councilor Rivera said the third and fourth amendments are acceptable.**

**Councilor Villarreal agreed with 3 and 4 and would like the second amendment added before the next meeting.**

Councilor Trujillo had an issue with the 5 grams and would like Lynn Patrick to clarify about a 12-oz. bottle having 3-4 grams.

Ms. Patrick said she meant it when she said it is illogical.

Councilor Trujillo said she did answer his question and she would be exempt from the tax.

Ms. Jennings said Kombucha would not be exempt.

Chair Ives asked if the final amendment sheet is for item 12 or 13.

Councilor Maestas said that was on 13.

**The motion resulted in a 2-1 voice vote on item #12, as amended, with Councilor Maestas abstaining. Chair Ives voted in favor for a vote of 3-1.**

**MOTION: Councilor Rivera moved to approve item #13. Councilor Villarreal seconded the motion for discussion.**

Councilor Maestas requested an amendment to modify the caption on page 1, line 13 to say, "calling for the establishment" and on page 5, line 11, to delete "separate resolution" and insert "ordinance."

Councilor Maestas referred to the top of page 4 where it seems the funding will be for 4-star and 5-star preK certified facilities asked if those facilities not meeting that standard could be eligible.

Mayor Gonzales nodded his head. They would file a plan on how they would spend the money to become a 4-star or 5-star facility and an evaluation for the base line measurement of the child.

Councilor Maestas said it was not clear that they would only give priority to 4 and 5 star providers, but thought it would be automatic for those and to start and build capacity on lower quality providers which should be a priority.

Mayor Gonzales said the priority is for families most disconnected - high need kids or poverty census tracts. However, if a 3-star facility didn't want to change to become a 4- or 5-star facility, they would not be eligible for funds.

Councilor Maestas asked if space was a critical issue that might need increased space to meet the demand with funding for bricks and mortar.

Mayor Gonzales said no. They do not need building additions or new buildings to meet the need. These funds are for the teacher and program.

**Councilor Rivera and Councilor Villarreal accepted the amendments as friendly.**

Councilor Villarreal said the population to be prioritized needs a definition. There may be more detail in the implementation plan to target those most in need.

Mayor Gonzales agreed. In the plan, it is clarified on pages 6, 7, and 8.

Councilor Villarreal thought that needs to be in the resolution.

**The motion to approve #13 as amended twice passed by unanimous voice vote.**

Chair Ives thanked the public for their presence and input.

#### **14. MATTERS FROM STAFF**

Mr. Pino announced this as his last meeting as Public Works Director and City employee. "It has been great."

The Committee members all thanked him for his work for the City and wished him well in his retirement.

Councilor Trujillo noted a need for a centerline at the sharp curve on Los Chamisos. He thought Mr. Romero could address that.

#### **15. MATTERS FROM THE COMMITTEE**

Chair Ives welcomed everyone present to share in the food provided in celebration of Mr. Pino's retirement.

#### **16. MATTERS FROM THE CHAIR**

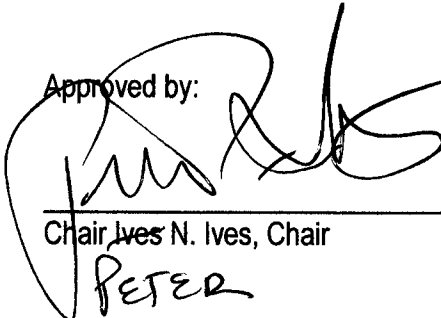
There were no matters from the Chair.

#### **17. NEXT MEETING DATE: MONDAY, March 6, 2017**

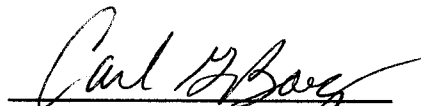
#### **18. ADJOURNMENT**

The meeting was adjourned at 8:55 pm.

Approved by:

  
Chair Ives N. Ives, Chair

Submitted by:

  
Carl Boaz for Carl G. Boaz, Inc.

Public Works Committee  
February 20, 2017

**EXHIBIT 1**

List of businesses and organizations in support of  
Sugary Beverage Tax for Early Childhood Education





## **Pre-K for Santa Fe Supporters**

### **Businesses & Restaurants**

- AAA, Allied Antiseptic, LLC
- Agua Fria Nursery
- American Pie
- Back Road Pizza
- Body Café
- Cafe Castro
- Cafe Fina
- Center for Relational Learning
- Cheesemongers of Santa Fe
- Children's Garden Montessori
- Chocolate Maven
- Clafoutis
- David Brecker Associates
- Dental Arts of Santa Fe
- Design Warehouse
- Dinner For Two
- Downtown Subscription
- Dragonfly School
- Dulce
- Ecco Espresso and Gelato
- El Farol
- El te la Salud
- Evok Contemporary
- FAM JAM! Music Together
- First Presbyterian Pre-School
- Garcia Street Club School
- Growing Up Montessori
- Indigo Baby
- Jambo Cafe
- Joseph's Restaurant
- Kids Campus at the Santa Fe Community College
- Meow Wolf
- Native Bloom Landscaping
- New York Deli
- Owings Dewey Fine Art
- Panaderia del Valle
- Paper Dosa
- Play School of the Arts
- Primo Cigars
- Ragano & Careccio, General Contractors
- Rock Paper Scissor Salon Spa
- Rugoff Dental
- Sage Bakehouse
- Saigon Cafe
- Santa Fe Valet
- Sarcon Construction
- Shohko Café
- Spirit Ranch Clothing Company
- Sweetwater Harvest Kitchen
- Temple Beth Shalom
- The Beat Goes On
- The Teahouse
- Water Management Assets
- WITcreative
- YMCA Zona Preschool
- Young Living



## **Organizations**

- Adelante
- AFSCME Council 18
- AFT-NM
- American Heart Association
- Chainbreaker
- Cooking with Kids
- Currents
- DS1199 NM
- Earth Care International
- Graywatch
- Green Chamber of Commerce
- IATSE Local 480
- Interfaith Coalition for Public Education
- Kitchen Angels
- Latino Behavioral Health Association
- Meow Wolf
- National Latino Behavioral Health Organization
- NEA-SF
- New Energy Economy
- New Mexicans to Prevent Gun Violence
- Northern New Mexico Central Labor Council
- OLE
- Santa Fe Children's Museum
- Santa Fe Community College Foundation
- Santa Fe Innovation Park
- Santa Fe NOW
- Sierra Club
- Solace
- Somos Un Pueblo Unido
- SouthWest Organizing Project (SWOP)
- SWOP Action
- Temple Beth Shalom
- United Way of Santa Fe
- Veterans for Peace
- Young Democrats of Santa Fe County
- Young Democrats of New Mexico



# **City of Santa Fe Early Childhood Education Initiative Implementation Plan**

## **DISCUSSION DRAFT**

**February 19, 2017**

The goal of this draft implementation plan is to specify how Santa Fe's Early Childhood Education initiative will be implemented so that it contributes to the healthy development and successful transition to kindergarten of Santa Fe's young children in effective, equitable, efficient, and transparent ways. This document is in draft form, created through conversations with City Councilors, community leaders, early education advocates, and others. We ask for your continued engagement to further improve upon this draft.

This draft outlines tasks and timeframe for establishing the governance, administration, and program elements in a timely, transparent, and inclusive process.

Please note that the ordinance creating the Sugar Sweetened Beverage tax states that all expenses related to development and implementation of Pre-K will be funded from revenue raised from the tax. A Draft Tax Implementation Roadmap accompanies this plan.

The plan is organized in the following sections:

- I. Establishing the Early Childhood Development Commission**
- II. Publicizing Standard for high-quality Early Childhood Education**
- III. Implementing Public Education Campaign**
- IV. Establishing and Implementing Evaluation Process**
- V. Establishment of Award Funds**
- VI. Defining the RFP Process**
- VII. Ensuring Accessibility**
- VIII. Developing Navigation Services**
- IX. Training and Supporting Early Childhood Educators**

## City of Santa Fe Early Childhood Education Initiative Implementation Plan

### **I. Establishing the Early Childhood Development Commission**

Santa Fe's Pre-K / Sugary Beverages ordinance calls for the establishment of an Early Childhood Education Commission. The ordinance states that the Commission shall:  
*"...report annually to the governing body on the progress of the city's voluntary pre-kindergarten program...After the program has operated for five (5) years, the commission will report to the governing body on the effectiveness of the program, recommending any changes deemed necessary or prudent to improve program performance, including but not limited to whether the tax base should be enlarged, narrowed or maintained as it is. In the event the program is terminated, for any reason, the tax will no longer be assessed commencing ninety (90) days after the termination date."*

The City Council resolution that defines the early childhood policy states that the Commission shall: *"...provide oversight and administration of the Santa Fe Early Childhood Initiative."*

#### **A. Selection Process for Commission Members**

- a. 7 volunteer (unpaid) members, appointed by the Mayor and approved by the City Council, in addition to;
- b. 4 volunteer (unpaid) parent members, one from each Council District, recommended by the City Council.
- c. Commission chair, selected by the Mayor
- d. One-year terms with optional re-appointments

#### **B. Qualifications of Commission Members**

- a. Members shall be residents of the City of Santa Fe and shall have at least one of the following qualifications:
  - i. Deep experience in early childhood education policy or teaching
  - ii. Experience in public budgets and finance
  - iii. Be a parent one parent of a pre-kindergarten child living within each of the four City Council Districts including at least one from a home-based program.
  - iv. Deep experience in metrics and evaluation

#### **C. Characteristics of Commission as Whole**

- a. As a whole, the Commission should have:
- b. At least one member from each qualification area above
- c. At least two members from each Council district
- d. Diversity that is representative of the City of Santa Fe

#### **D. Charge of the Commission - the Commission shall engage in the following activities:**

- a. Provide broad policy direction
- b. Interview and recommend a project manager for hire by the City (0.5 FTE) to assist with implementation of the Commission's duties
- c. Approve recommendations from the Santa Fe Community College on RFP recipients

- d. Ensure that an annual evaluation takes place, and review and assess annual evaluation findings
- e. Oversee and approve an annual audit of funds
- f. Conduct a program review every five years
- g. Develop and oversee a contract with the Santa Fe Community College Center of Excellence who will administer the development and execution of programs and services, including the following:
  - i. Leading the RFP or RFA process for funding for early childhood education centers, including recommending to the Commission contracts to be awarded;
  - ii. Providing operational support and technical assistance to Pre-K centers;
  - iii. Establishing an independent environmental assessment (ECERS or Class) for each program funded;
  - iv. Performing annual programmatic and budget reviews;
  - v. Convening a Workforce Development Board (comprising experts in the field), which will lead policy development in the areas of licensure, career ladders, and education-based compensation;
  - vi. Performing direct service in the areas of educator preparation and professional development;
  - vii. Establishing the SFCC Kid's Campus as a Santa Fe Pre-K demonstration site of high-quality early learning programs for children 0-4 and as hub for professional development.
  - viii. Limit the % of tax revenue that can be spent on program administration (no more than 7%).

**E. Commission Accountability: The Commission is accountable to the Mayor and the City Council and will:**

- a. Provide publicly available reports regularly to the Council regarding progress and activities
- b. Ensure that the Commission's (and other ad-hoc groups) meetings are accessible to parents and providers, in regards to meeting times and location, translation services, and child care.
- c. The administration of the 0.5 FTE and Annual financial audit shall not exceed 1.5% of the total annual tax revenue, or an estimated \$105,000 annually.

**Responsible party:** The City Council

**Timeframe:** Establish Commission within 30 days of the election; protocols within 60 days of the election

## **II. Publicizing Standard for high-quality Early Childhood Education**

### **A. Publicize widely a “Santa Fe Standard” for high-quality Early Childhood**

**Education** - a standard that accommodates the diversity of high-quality in Santa Fe’s existing programs, is research-based, and professionally recognized (e.g., NM Pre-K standards, CYFD FOCUS 4- and 5-star criteria, accreditation by the National Association for the Education of Young Children, etc.).

**Responsible party:** Early Childhood City Staff, in consultation with the Commission

**Timeframe:** within 60 days of date of the election

## **III. Implementing Public Education Campaign**

### **A. Educate parents and the public about the importance of early learning and health complications of sugary beverages**

a. Award a contract to qualified entity to implement a culturally inclusive campaign to increase parental awareness, public understanding, and support for early childhood learning. The campaign will include, but not be limited to the following:

- i. For parents of children 0-4: information and tools to support early learning, development, and good nutrition at home. For example, Vroom is an app for smartphones that sends tools and daily videos for parents in English and Spanish that teach them to turn everyday parent/child interactions into “brain building” moments that nurture growing minds. (<http://www.joinvroom.org/tools-and-activities>)
- ii. For community members: knowledge about 1) early brain development; 2) the positive effects of high-quality early childhood learning opportunities and nutrition on children’s school and life outcomes; and 3) the social/economic returns to communities from investing in early learning

**Responsible party:** Early Childhood City Staff, in consultation with the Commission

**Timeframe:** within 60 days of date of the election

## **IV. Establishing and Implementing Evaluation Process**

### **A. Design and implement an evaluation process to monitor and report program quality and outcomes**

a. Specify expected outcomes, metrics, and tools that will be used to report program quality and effectiveness, including kindergarten readiness of children exiting the program, including the following:

- i. Program Evaluation Instruments –ECERS Self-Assessment
- ii. Student Evaluation Instruments – Pre-K Observation Tool (KOT) (whole child assessment based on the New Mexico Early Learning Guidelines); Istation Data (Literacy Assessment)

### **B. Collect baseline data, including, but not limited to:**

a. existing program capacity and quality

- b. the number of children from different socio-economic groups receiving early childhood education,
- c. kindergarten readiness levels
- d. third grade reading levels

**C. Set benchmarks for improvements in program quality and children's outcomes in terms of kindergarten readiness and literacy**

**D. Establish a student database that will enable student tracking and longitudinal analysis-(work with CYFD to see if students can receive a state ID/their Kindergarten ID)**

**Responsible party:** Santa Fe Community College, with the approval of the Commission

**Timeframe:** within 120 days of election

## **V. Establishment of Award Funds**

**A. Establish two separate award funds--one for large public and private providers (operating multiple centers) and one competition for small, independent providers (to ensure an equitable distribution of funds across provider types. Allocation for each fund will be set by the Commission with recommendations by the Santa Fe Community College.**

**Responsible party:** Commission with the Santa Fe Community College

**Timeframe:** within 120 days of election

## **VI. Defining the RFP Process**

**A. An RFP process will be implemented to ensure that city-awarded contracts result in sufficient high-quality, affordable seats available to 3- and 4-year-olds across the city and prioritize neighborhoods and families with the greatest needs.**

- a. Set "bottom-line" eligibility criteria that all applicants must meet (either currently or commit to as part of their application):
  - i. Holds NM state licensure (in good standing)
  - ii. Uses funding from all federal, state, and local sources for which they are eligible
  - iii. Maintains an open admissions policy, including no cap on children from low-income or CYFD-eligible families
  - iv. Linguistic and cultural diversity—among both children and staff
  - v. Willingness to participate in a common evaluation and share data
  - vi. If currently not "high-quality," demonstrates programmatic readiness to increase quality with a specific plan & timeline that a) includes participation in FOCUS or an Accreditation Process and b) provides the following:
    - a) A yearly calendar



- b) Lesson Plan templates
- c) Hours of Operation and Number of Days Operational
- d) Curriculum that implements New Mexico Early Learning Guidelines.
- e) Assessment Tool
- f) Student database
- g) Diagram/Sketch of room(s) to show various centers.
- h) Location and facilities to meet higher Child Care licensing standards, including playground, small toilets, sinks, etc.
- i) Copy of operator's license and recent annual licensing survey
- j) Explanation of any findings from CYFD non-compliance and programmatic deficiencies that are being addressed
- k) Demonstrate fiscal readiness to manage city funds and expand enrollment by providing past financial statements and/or other documents
- l) Meet all safety and health requirements

**B. Require the following elements in all proposals—specification of how applicants will:**

- a. Contribute to meeting the city's unmet need for additional high-quality seats
- b. Create additional seats for those not currently enrolled (~626 needed)
- c. Convert existing high-quality part-day programs to full-day (~254 needed) (if applicable)
- d. Increase the quality of 2- and 3-star centers and licensed home providers (if applicable)
- e. Provide city residents priority in program admissions
- f. Recruit and train teachers, administrators, and operational staff
- g. Provide compensation, professional development, and working conditions that ensure staff quality and stability
- h. Enrich programs so that they engage the community's young children with Santa Fe's linguistic and cultural assets (dual language, partner with local entities, etc.)
- i. Ensure robust parent/community engagement
- j. Establish an affordable fee-structure—no cost to the lowest income families, and a graduated co-pay system to support working families (those who need financial assistance, but don't qualify for government assistance)
- k. Assess and plan for transportation so that attendance will be possible for all children
- l. Coordinate/blend federal, state, and other early learning funding available to current ECE programs to make the city's money the "last \$ in," including NM Pre-K, CYFD funding, Childcare subsidy, federal funds and other revenue sources.
- m. Provide a detailed budget showing how city funds will be used

**C. Set provider characteristics that will merit preferences in selection**

- a. Located in the lowest low-income neighborhoods/census tracts/school zones (e.g., Title 1 school zone within the city)
- b. Serve 3- and 4-year-olds from neighborhoods/census tracts/school zones with

- high need and with insufficient high-quality providers
- c. Offer or develop dual-language and bilingual programs
- d. Hold no more than 20% of seats for full-paying families to ensure mixed income levels among children and parents
- e. Provide diagnostic and intervention services for children with special needs
- f. Educate about and serve healthy foods, with a preference for locally-sourced, healthy foods
- g. Serve infants and toddlers and propose innovative ways to provide a seamless continuum of services for children 0-4

**Responsible party:** Santa Fe Community College with the approval of the Commission

**Timeframe:** within 90 days of the election

## **VI. The Scoring/Selection Process**

### **A. Develop an objective, fair, inclusive, transparent, and timely application/scoring/selection process for awarding contracts to providers, including the following elements:**

- a. Establish and make publicly available the timeline for RFP and awards process
- b. Establish and make publicly available a scoring system with points allocated to required and preferred proposal elements
- c. Appoint and train a panel of experts and community members to score proposals
- d. Conduct scoring of proposals in a secure and confidential setting
- e. Recommend a slate of awardees based on proposal scoring to the Commission for final approval

**Responsible party:** Santa Fe Community College with the approval of the Commission

**Timeframe:** within 120 days of the election

## **VII. Ensuring Accessibility**

- ### **A. Make participation in RFP process broadly accessible to large and small providers, including licensed home providers by:**
- a. Distributing RFP widely in English and Spanish
  - b. Supporting provider applicants
  - c. Holding workshops in English and Spanish for prospective bidders that make the proposal process and criteria for selection clear and transparent and equally available to all.
  - d. Providing technical assistance in English and Spanish for providers who need it in order to submit a proposal.

**Responsible party:** Santa Fe Community College with the approval of the Commission

**Timeframe:** within 120 days of the election

**VIII. Developing Navigation Services**

**A. Develop navigation services that enable families to access programs and services.**

- A. Develop the process for awarding a contract to qualified entity and scope of work that will result in families of young children having culturally and linguistically appropriate assistance navigating Santa Fe's complex early childhood system and supports. Tap into current CYFD system at the state, and develop new systems to provide:
- a. Telephone Hotline (311), Web, Mobile App, and other digital tools;
  - b. Place-based Hubs
  - c. Network of people-to-people support

**Responsible party:** City, in consultation with the Commission

**Timeframe:** 90 days following the election

**IX. Training and Supporting Early Childhood Educators**

**A. Increase the size and quality of the early childhood workforce, including:**

- a. Strengthening and making more accessible initial professional preparation
- b. Attracting, supporting, and certifying a culturally and linguistically diverse workforce, including those with knowledge and experience in low-income communities of color.
- c. Assisting educators to move up the career ladder developed for early childhood, enabling educators move from entry level assistant to lead teacher positions.
- d. Constructing professional development plans for individual educators.
- e. Providing professional development that is credit-bearing and transferrable to degree programs.
- f. Making scholarships and other financial support available for those seeking certificates and degrees in early childhood education
- g. Developing a wage ladder and salary incentives based on education, credentials, and ongoing training.
- h. Use designated lab schools to support professional development

**Responsible party:** Community College through its workforce development board

**Timeframe:** ongoing

Public Works Committee  
February 20, 2017

## **EXHIBIT 2**

Written Testimony of  
Carmen Gonzales

Treasurer of Campaign  
I'm a resident of Dist. 2  
Coke could have handled this differently.

for PR  
18  
5/2

① First, they could have admitted that they understood why Santa Fe might want to reduce the sugar intake of its residents.

#### Sugar:

- has no essential nutrients,
- is bad for your teeth,
- gives you heart disease,
- causes insulin resistance,
- leads to obesity and diabetes,
- changes the brain to crave more fat,
- is highly addictive,
- raises your cholesterol level, and
- causes fatty liver disease just like alcohol does.

Coke has been absolutely silent about that.

They have just been complaining that somehow they have been unfairly singled out.

However, in NM 34% of kids are overweight or obese.

About 80% of obese people get Type 2 Diabetes, the diabetes self-inflicted by a bad diet.

Taxpayers spend much more – \$190 billion – on diabetes than the \$157 billion they spend on cancer.

When pre-diabetes treatment is included, we spend a staggering \$322 billion a year.

That is why we might think about taxing sugary drinks.

You would not put 9 teaspoons of sugar in your morning coffee, but that is how much sugar Coke puts in their 12 ounce can.



The second thing Coke could have done is stop trying to scare everyone about who is going to pay the soda tax.

They have been scaring their own employees claiming that if the distributor has to pay the whole tax they will close down, move to Albuquerque, and/or lay a bunch people off.

This is the same thing they did 14 years ago. Coke sued Santa Fe in 2003 to stop the Living Wage. They claimed it would put them out of business.

They weren't being honest with us then and they are not being honest with us now.

Coke distributes all over Northern New Mexico, so they have many places to continue to sell their products with no tax.

Coke sells many non-sugary drinks that they could substitute for sugary drinks. Diet Coke, Dasani, Ciel, and Glaceau Smartwater.

Coke's fastest growing, and most profitable size is 8 ounces, for which they charge twice as much per ounce as larger sizes.

So Coca Cola of Santa Fe is doing very well, thank you, and they can afford to pay some of the new tax.

In fact, in other cities with soda taxes, like Berkeley, the distributor has done exactly that by picking up half the tax.

After all, they don't want to start losing their market share to other distributors of sugary drinks who might pick up some of the tax.

And Coke should stop trying to scare restaurants claiming that they will have to pay the entire tax.

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A restaurant normally in Santa Fe sells Coke for \$2.50. That Coke only costs them \$0.20 to make. That's more than a \$2 profit for every Coke.

We got the key to that cost directly from the CEO of Santa Fe Coke, so if you want to know more <sup>we</sup> can explain how we figured that out.

So, certainly a bar or restaurant can afford to absorb some of the tax.

Finally, they never mention the Coca Cola Company, International. They are the ones who are putting money into all the anti-sugary soda campaigns ~~around the country~~.

Coke's multi-billion dollar profits increased by an average of 15% a year over the last two years.

Their gross sales last year were \$42 billion.

Coke owns many of the most prominent beverage brands.

- Fanta,
  - Sprite,
  - Minute Maid,
  - Coke Zero,
  - Dasani,
  - Nestea,
-



- Bacardi Premium Mixers,
- Barq's Root Beer,
- Odwalla,
- Gold Peak to name only a few.

Coke international could certainly absorb some of that tax.

And, finally, the consumer can and should absorb a little of the tax.

It will encourage them to switch to non-sugary drinks which will let them live healthier lives.

We tax alcohol and tobacco to discourage use and to raise money for public purposes.

Why not sugar?

If Coca Cola really wanted to see Pre-K expanded in Santa Fe, they could have started by being honest with us.

That is the idea.

Let's discourage drinking sugar.

Let's expand Pre-K to cover all our children.

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