

CITY CLERK'S OFFICE

City of Santa Fe, NM DATE 6/29/17 TIME 1:36
Regular Committee SERVED BY Carolynn Roibal
Monday, July 03, 2017 PREPARED BY SSS
05:00 PM – Finance Committee
Council Chambers

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF CONSENT AGENDA

5. APPROVAL OF MINUTES

Regular Finance Committee Minutes - June 5, 2017
[June 5, 2017 Minutes.pdf](#)

INFORMATIONAL

CONSENT AGENDA

6. Request for Approval of Annual Internal Audit Plan. (Liza Kerr)
[Audit Plan 06.21.2017 rev-combined.pdf](#)
7. Request for Approval of Procurement Using State Price Agreements in the Approximate Amount of \$350,000.00 - Books, Related Materials and Standing Orders; Baker & Taylor, Ingram Library Services Inc., Midwest Library Service, Inc. (Patricia Hodapp)
[Lib-B&T Midwest-combined- P. Hodapp.pdf](#)
- 8.. Request for Approval of Professional Service Agreement in the Amount of \$72,790.00 - DWI Rehabilitation School and Facility Rental; Kathleen Lawicki d/b/a Santa Fe DWI School LLC. (Patrick Gallagher)
[Kathleen Lawicki dba SF Dwi school LLC 2017_06_23_08_54_58_634.pdf](#)
9. Request for Approval of Award of Bid # '17/39/B - Procurement of Miscellaneous Construction Tools and Supplies / Hardware Supplies for Four Years; Summit Electric Supply Co., Santa Fe, Johnstone Supply, Santa Fe, Ferguson Enterprises, Santa Fe, Big Jo True Value Hardware Inc., Santa Fe, Santa Fe Winnelson Co., Santa Fe; Ace Hardware, Santa Fe. (Robert Rodarte)
[Purchasing-RFB 17-39-B.pdf](#)
10. Request for a Budget Adjustment in the Amount of \$1,567,788 to correct the 16/17 Debt Service for Refunding in Late FY 15/16 - Water Debt Service; (Shannon Jones).
[BA000121.pdf](#)
11. Request for Approval of Professional Services Agreement and Cooperative Education Services Agreement in the Amount of \$62,023.75 - Engineering Services for design of the BDD Water Treatment Facility 4 Million Gallon Finished Water Storage Tank; Molzen-Corbin. (Kristin Johansen)

[PSA - Molzen-Corbin \(CESA\) - COMBINED.pdf](#)

12. Request for Approval of Grant Application, Award and Agreement in the Amount of \$71, 733 - FY 2018, Ridefinders Program Funding; Federal Transit Administration. (Kieth Wilson)
NMDOT Grant Award-combined 6.27.pdf

13. Request for Approval of a Resolution Directing the City Manager to Work With the Santa Fe University of Art and Design and the New Mexico Museum of Art to Loan the Museum the Beaumont Newhall Library in Conjunction With Its Centennial Celebration; and to Discuss Terms and Conditions for the Future Donation of the Beaumont Newhall Library to the New Mexico Museum of Art. (Councilors Lindell, Harris and Ives) (Kelley Brennan)

Committee Review

City Council (scheduled) 07/12/17
Fiscal Impact - No

Beaumont Newhall Library (FC Pkt).pdf

DISCUSSION

OTHER FINANCIAL INFORMATION

EXECUTIVE SESSION

MATTERS FROM THE COMMITTEE

ADJOURN

**FINANCE COMMITTEE
INDEX
JULY 3, 2017**

<p>Cover Sheet Call to Order and Roll Call</p>	<p>Chair Carmichael A. Dominguez, called a meeting of the City of Santa Fe Finance Committee to order at approximately 5:00 pm, on Monday, July 3, 2017, in the Council Chambers, City Hall 200 Lincoln Avenue, Santa Fe, New Mexico.</p> <p>A quorum was present and reflected in minutes of July 3, 2017</p>	<p>Page 1-2</p>
<p>Approval of Agenda</p>	<p>Change to Agenda: Mr. Johnson stated one change for the record, Item #12, the correct language that should have been on the agenda; <i>“Request for approval to accept the award of Congestion Mitigation Air Quality funding from NMDOT and approval to execute a grant application, award and agreement with the Federal Transit Administration (FTA) for the FY2018 Ridefinders Program funding in the amount of \$71,733.</i></p> <p>The Chair asked the committee members if they felt that the published description for Item #12 was sufficient as it details the amount.</p> <p>Councilor Harris agreed that the description lists the purpose and amount and was ok with this.</p> <p><i>Councilor Harris moved to approve the agenda as noted, second by Councilor Lindell, motion carried by unanimous voice vote.</i></p>	<p>Page 2-3</p>
<p>Approval of Consent Agenda</p>	<p>Staff No Changes.</p> <p>Councilor Harris asked to pull Items # 6, 8, 11 and changes noted to #12, Councilor Lindell asked to pull Item #10.</p>	<p>Page 3</p>

	<i>Councilor Harris moved to approve consent agenda as amended, second by Councilor Lindell, motion carried by unanimous voice vote.</i>	
Approval of Minutes, June 5, 2017	<p>Staff No Changes.</p> <p><i>Councilor Lindell moved to approve the minutes of June 5, 2017 as presented, second by Councilor Harris, motion carried by unanimous voice vote.</i></p>	Page 3
Consent Calendar Discussion #6, 8, 10, 11 and 12	<p><i>#6 - Councilor Harris moved to approve request for approval of Annual Internal Audit Plan. Audit Plan 06.21.2017 rev-combined, second by Councilor Lindell, motion carried by unanimous voice.</i></p> <p><i>#8 - Councilor Harris moved to approve the request for Professional Services Agreement in the amount of \$72,790.00 – DWI Rehabilitation School and Facility Rental, second by Councilor Lindell, motion carried by unanimous voice vote.</i></p> <p><i>#10 - Councilor Lindell moved to approve Budget Adjustment in the amount of \$1,567,788 to correct the 16/17 Debt Service for Refunding in Late FY 15/16 – Water Debt Service, second by Councilor Harris, motion carried by unanimous voice vote.</i></p> <p><i>#11 - Councilor Harris moved to approve the PSA and Cooperative Education Services Agreement in the Amount of \$62,023.75 – Engineering Services for design of the BDD Water Treatment Facility 4 million gallon finished Water Storage Tank Molzen-Corbin, second by Councilor Lindell, motion carried by unanimous voice vote.</i></p> <p><i>#12 – Correct wording: “Request for</i></p>	Page 3-8

	<i>approval to accept the award of Congestion Mitigation Air Quality funding from NMDOT and approval to execute a grant application, award and agreement with the Federal Transit Administration (FTA) for the FY2018 Ridefinders Program funding in the amount of \$71,733.</i>	
Discussion	<i>None</i>	Page 8
Other Financial Information	<i>None</i>	Page 8
Matters from Committee	<i>None</i>	Page 8
Adjournment and Signature Page	There being no further business to come before the Finance Committee the Chair called for adjournment at 5:30 pm	Page 8

**FINANCE COMMITTEE
MINUTES
Monday, July 3, 2017
5:00 pm – 5:30 pm**

1. CALL TO ORDER

Chair Carmichael A. Dominguez, called a meeting of the City of Santa Fe Finance Committee to order at approximately 5:00 pm, on Monday, July 3, 2017, in the Council Chambers, City Hall 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT

Carmichael A. Dominguez, Chair
Councilor Mike Harris
Councilor Signe Lindell

MEMBERS ABSENT – EXCUSED

Councilor Peter Ives
Councilor Renee Villarreal

OTHERS ATTENDING

Adam Johnson, Director, Finance Department
Christina Keyes, Treasury Office, Finance Department.
Liza Kerr, Internal Auditor
Laura Vigil, Acting Supervisor, Santa Fe Police Department
Kristin Johansen, Water Division Engineer
Fran Lucero, Stenographer

3. APPROVAL OF AGENDA

Change to Agenda:

Mr. Johnson stated one change for the record, Item #12, the correct language that should have been on the agenda; *“Request for approval to accept the award of Congestion Mitigation Air Quality funding from NMDOT and approval to execute a grant application, award and agreement with the Federal Transit Administration (FTA) for the FY2018 Ridefinders Program funding in the amount of \$71,733.*

The Chair asked the committee members if they felt that the published description for Item #12 was sufficient as it details the amount.

Councilor Harris agreed that the description lists the purpose and amount and was ok with this.

Councilor Harris moved to approve the agenda as noted, second by Councilor Lindell, motion carried by unanimous voice vote.

4. APPROVAL OF CONSENT AGENDA

Staff No Changes.

Councilor Harris asked to pull Items # 6, 8, 11 and changes noted to #12, Councilor Lindell asked to pull Item #10.

Councilor Harris moved to approve consent agenda as amended, second by Councilor Lindell, motion carried by unanimous voice vote.

5. APPROVAL OF MINUTES – JUNE 5, 2017

Staff No Changes.

Councilor Lindell moved to approve the minutes of June 5, 2017 as presented, second by Councilor Harris, motion carried by unanimous voice vote.

CONSENT CALENDAR DISCUSSION

6. Request for approval of Annual Internal Audit Plan. Audit Plan 06.21.2017 rev-combined (Liza Kerr)

Councilor Harris: Page 1 of memo: I appreciate the statement of the Internal Auditor; *to share a duty with the members of the governing body to insure that the action of public officials, employees and contractors of the city are carried out in the most responsible manner possible and that city policies, budgets, goals and objectives are fully implemented.* It is a great reminder, for myself that it is the duty that we have as members of the governing body and I appreciate that reminder.

Ms. Kerr: Thank you.

Councilor Harris stated as to the body of what Ms. Kerr is working on, he has no issues there. Councilor Harris referred to the follow up on parking findings and asked Ms. Kerr what were those particular findings.

Ms. Kerr stated that those previous findings were something that she inherited when she walked in to this position and they had to do with the Forensic audit of parking and an internal audit of parking. Ms. Kerr requested and has received resolution to many of those findings at this point. Ms. Kerr is pushing forward to get the GCC cash-handling audit and should be on the next agenda. She stated that she has not been able to go through those items to work on those responses and hopes that a significant number of

those findings have been cleared. Ms. Kerr stated that she could not speak directly about those findings but could send them by e-mail.

Councilor Harris asked if this had been discussed with the Audit Committee and asked if that is how they came up with this list.

Ms. Kerr: It is a combined effort and she does work closely with the Audit Committee. She spoke to Ms. Martinez that Deputy City Manager and sent to all Councilors a request for their input. She did not receive any comments. In most cases she normally receives a few comments and she works on those. She stated that the audit plan are rolling audits; one example are the building permits audit and others that may come across her desk and those do get vetted with the Audit Committee.

Councilor Harris asked; did this list go to the Audit Committee prior to coming before the Finance Committee and Ms. Kerr responded, yes.

Councilor Dominguez directed his statement to Mr. Johnson; and said that it has been in his experience with the reduction in staff that we have had, positions have gotten filled or eliminated by balancing the budget. It is referred to as institutional attrition and there are critical positions that do get cut. With this plan he has curiosity if the positions that have been cut, those have been filled, or what is the fiscal impact of not having an administrative assistant in some departments. The question to the auditor was with some of these cuts in staffing do they result in findings in departments. How do we start to blend all of this together?

Director Johnson concurred that these are excellent questions that do result in performance audits in staffing areas or findings and results that Liza might find in the course of audit. He does believe that in a staffing transition this can happen and he is happy to review those finding with that lens.

Councilor Dominguez: How do we memorialize it as part of this plan? We can hire an internal auditor, sometimes we are releasing staff and there will be findings because we are not staffing at the level that we should be.

Director Johnson: He would like to narrow it in the specific area where reduction has occurred and a problem has arises. He recognizes simultaneous that the way the structure is changing rapidly with all of these technologies and efficiencies, they might find it rare that they could be over staffed and that needs to be analyzed. You could request that the internal auditor, always look at broad language that asks the questions how do these changes create or affect these findings to the organization.

Councilor Dominguez referred to accounts payable wording: Effectiveness of internal controls regarding accounts payable and how the current personnel is impacted. Councilor Dominguez wanted to get this statement on the record.

Councilor Lindell, on the annual schedule for 17/18 we get to a point where it says other audits as time permits. Do those audits, if time doesn't permit and Councilor Lindell knows of the heavy load that the Internal Auditor carries, do those audits, are they still in line with prior to 2018 / 2019.

Liza Kerr: It just depends and she used the follow up of parking findings as she stated earlier. Ms. Kerr said that she has sent the request to Parking and that have already sent responses regarding the findings for her review. Ms. Kerr said that it is a large amount of material and hopefully if she has a week in between projects she will do the review and issue a quick report. Cash handling for example, this is really limited to doing surprise cash counts at various entities. They have established a good working model to do these cash counts at GCC; cash counts don't take that long time to do. She is envisioning stopping by spontaneously to do these cash counts. The follow up on Lodgers tax findings there are ongoing issues. There are a lot of changes in the approach of doing lodgers tax audit this year. This has been of interest to the Audit Committee and to herself to make progress on this audit. Legislation was passed last year in regards to Lodgers Tax; these are things she can fit in. Payroll and FMLA, those do not take precedence over the audits she has on the list but she cannot just squeeze them in. She stated that she will begin reviewing and see if there is a risk, once it is known she will time audits.

Councilor Lindell said that hopefully the new system they have in CRONOS will be helpful. Implementing new systems will be helpful.

Ms. Kerr concurred that with the implementation of these new systems, she would like to give it some time to see how they affect the audits.

Councilor Harris moved to approve request for approval of Annual Internal Audit Plan. Audit Plan 06.21.2017 rev-combined, second by Councilor Lindell, motion carried by unanimous voice.

7. Request for approval of procurement Using State Price Agreements in the approximate amount of \$350,000 – books, related materials and sanding order, Baker & Taylor, Ingram Library Services Inc. Midwest Library Service Inc.
8. Request for approval of Professional Services Agreement in the amount of \$72,790.00 – DWI Rehabilitation School and Facility Rental.

Councilor Harris: Summary of contract says \$72,790, the Narrative Background and Summary says a 2-year term for \$50,000.

Ms. Laura Vigil: \$50,000 including gross receipts tax is for instruction services only. A payment is made for the rental of the facility where the classes are held which is \$4,680 annually. There is a stipulation that DWI schools will pay \$50 fee to the Traffic Safety Bureau according to the New Mexico Department of Transportation Administrative Code. The \$72,000 includes the annual payment for the maximum amount of students plus \$50. The City Attorney recommended putting this number in for budgeting purposes.

Councilor Harris moved to approve the request for Professional Services Agreement in the amount of \$72,790.00 – DWI Rehabilitation School and Facility Rental, second by Councilor Lindell, motion carried by unanimous voice vote.

9. Request for approval of Awards of Bid # 17/39/B – Procurement of Miscellaneous Construction tools and supplies for four years; Summit Electric Supply Co., Johnstone Supply, Ferguson Enterprises, Big No True Value Hardware Inc., Santa Fe Winnelson Co., Ace Hardware all in Santa Fe.
10. Request for a Budget Adjustment in the amount of \$1,567,788 to correct the 16/17 Debt Service for Refunding in Late FY 15/16 – Water Debt Service

Councilor Lindell asked staff to provide a narrative on this topic.

This is a correction to the Water Debt Services for refunding in late FY 15/16. These corrections were missed early in FY 16/17 due to the unexpected vacancy in the debt management position in Finance. Staff is requesting approval of the budget adjustment and forwarding on to City Council for approval. Reduction of the previous debt service for 2009 and the addition of the this years payment is indicated in the packet attachment. This is a part of the closeout process.

Councilor Lindell moved to approve Budget Adjustment in the amount of \$1,567,788 to correct the 16/17 Debt Service for Refunding in Late FY 15/16 – Water Debt Service, second by Councilor Harris, motion carried by unanimous voice vote.

11. Request for approval of PSA and Cooperative Education Services Agreement in the Amount of \$62,023.75 – Engineering Services for design of the BDD Water Treatment Facility 4 million gallon finished Water Storage Tank Molzen-Corbin

Councilor Harris: Q: Is Molzen-Corbin going to provide only technical specifications for the vendor. Are they going to do any more than the site plan, a few incidentals related to soil testing; they are really only writing the technical specifications.

Kristin Johansen: They will be doing technical specs and full construction plans.

Councilor Dominguez asked if this was a good deal, Councilor Harris?

Councilor Harris said at the time that yes he believes this is a good deal, it is almost like a design build approach.

Ms. Johansen said that it is more prior to bidding; they are going to put out construction plans using manufactures specs for the D110-type 3 tank specs that are out there. There are three vendors in the country that build the D110 type 3's and all their specs and standard drawings are pretty similar. Staff will put a package together and send to all three vendors to see if we don't exclude anything from their type of tank for our bidding process.

Councilor Harris said that this is not a bad thing and he understands that this is a very specialized tank and he doesn't find fault with her approach.

Ms. Johansen said that you find a lower cost because a lot of those specs are pre-determined so the Engineers are not developing those specifications.

Councilor Harris: They very clearly identify construction administration separately, how will staff handle this.

Ms. Johansen: At that time we will decide whether we do those in house or we will determine if we have to hire someone on the outside to perform those services. We are applying for funding through the Water Trust Board, it will depend on what amount is approved; we will analyze if we can self-perform depending on where staff is at that time or whether we need additional support.

Councilor Harris: If I was city staff I would want a role internally as well as additional support, i.e., NWH or Molzen Corbin. Are you still having good response from NWH?

Ms. Johansen said yes, they are having great success from NWH and they are looking at putting out an RFB for continued long-term continued construction administrative services so we would have that on call support.

The Chair asked the Finance Director if there is a cost sharing or is it funded by the City of Santa Fe.

The Finance Director responded that this particular contract is all funded by the city of Santa Fe (Molzen Corbin).

The Chair asked if this is going before the BDD?

Ms. Johansen: The Construction end went before the BDD Board and was approved for the cost share agreement Engineering. Staff said they didn't plan to go to BDD but they could if this is the wish of the Finance Committee.

The Chair there is no need to go to BDD.

Ms. Johansen clarified that they did apply for funding for this FY but they decided to reallocate the water project funds for the year so those funds should be available next year; which is what the Water Trust Board has stated. City staff will reapply in the fall.

Councilor Harris moved to approve the PSA and Cooperative Education Services Agreement in the Amount of \$62,023.75 – Engineering Services for design of the BDD Water Treatment Facility 4 million gallon finished Water Storage Tank Molzen-Corbin, second by Councilor Lindell, motion carried by unanimous voice vote.

12. Request for approval of grant application, award and Agreement in the amount of \$71,733 FY2018, Ridefinders Program Funding, Federal Transit Administration
13. Request for Approval of a Resolution Directing the City Manager to work with the Santa Fe University of Art and Design and the New Mexico Museum of Art to Loan the Museum the Beaumont Newhall Library in Conjunction with its Centennial Celebration and to discuss terms and conditions for the Future Donation of the Beaumont Newhall Library to the NM Museum of Art.

DISCUSSION

None

OTHER FINANCIAL INFORMATION

None

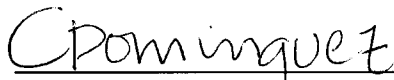
MATTERS FROM THE COMMITTEE

None

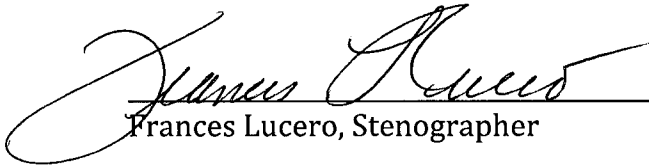
ADJOURN

There being no further business to come before the City of Santa Fe Finance Committee, the Chair called for adjournment at 5:30 pm.

SIGNATURE PAGE:

A handwritten signature in cursive script, appearing to read "C Dominguez", written over a horizontal line.

Councilor Carmichael Dominguez, Chair

A handwritten signature in cursive script, appearing to read "Frances Lucero", written over a horizontal line.

Frances Lucero, Stenographer