



Agenda

SPECIAL MEETING OF
THE GOVERNING BODY
MAY 22, 2017
5:30 P.M.
CITY COUNCIL CHAMBERS

CITY CLERK'S OFFICE

DATE 5/18/17 TIME 3:15 PM

SERVED BY Melissa Bogen

RECEIVED BY [Signature]

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. CONSIDERATION OF RESOLUTION NO. 2017-____. (Councilor Dominguez and Councilor Ives)
A Resolution Increasing the Operating Mill Levy Property Tax Within the Municipal Boundaries of the City of Santa Fe to Maintain the Current Total Property Tax Rate of 2.817. (Marcos Martinez and Adam Johnson)
5. CONSIDERATION OF RESOLUTION NO. 2017-____. (Councilor Maestas, Councilor Lindell, Councilor Dominguez and Councilor Villarreal)
A Resolution Expressing the Governing Body's Respectful Request to the Santa Fe County Commission for a Delay in Action on Their Proposed County-Wide Gross Receipts Tax Increase Pending the Outcome of the Planned Joint City Council/County Commission Meeting on June 15, 2017 to Fully Address the Issue. (Adam Johnson)
6. MATTERS FROM THE GOVERNING BODY
7. ADJOURN

Pursuant to the Governing Body Procedural Rules, in the event any agenda items have not been addressed, the meeting should be reconvened at 7:00 p.m., the following day and shall be adjourned not later than 12:00 a.m. Agenda items, not considered prior to 11:30 p.m., shall be considered when the meeting is reconvened or tabled for a subsequent meeting.

NOTE: New Mexico law requires the following administrative procedures be followed when conducting "quasi-judicial" hearings. In a "quasi-judicial" hearing all witnesses must be sworn in, under oath, prior to testimony and will be subject to reasonable cross-examination. Witnesses have the right to have an attorney present at the hearing.

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

**SUMMARY INDEX
CITY OF SANTA FE
SPECIAL CITY COUNCIL MEETING
May 22, 2017**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE #</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	2
CONSIDERATION OF RESOLUTION NO. 2017-37. A RESOLUTION INCREASING THE OPERATING MILL LEVY PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE TO MAINTAIN THE CURRENT TOTAL PROPERTY TAX RATE OF 2.817	Approved	2-4
CONSIDERATION OF RESOLUTION NO. 2017-38. A RESOLUTION EXPRESSING THE GOVERNING BODY'S RESPECTFUL REQUEST TO THE SANTA FE COUNTY COMMISSION FOR A DELAY IN ACTION ON THEIR PROPOSED COUNTY-WIDE GROSS RECEIPTS TAX INCREASE PENDING THE OUTCOME OF THE PLANNED JOINT CITY COUNCIL/COUNTY COMMISSION MEETING ON JUNE 15, 2017, TO FULLY ADDRESS THE ISSUE	Approved	4-8
MATTERS FROM THE GOVERNING BODY	Information/discussion	8-10
ADJOURN		10

**MINUTES OF THE
SPECIAL MEETING OF THE
GOVERNING BODY
Santa Fe, New Mexico
May 22, 2017**

AFTERNOON SESSION

1. CALL TO ORDER AND ROLL CALL

A special meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor Javier M. Gonzales, on Monday, May 22, 2017, at approximately 5:35 p.m., in the City Hall Council Chambers. Following the Pledge of Allegiance, Salute to the New Mexico flag, and the Invocation, roll call indicated the presence of a quorum, as follows:

Members Present

Mayor Javier M. Gonzales
Councilor Signe I. Lindell, Mayor Pro-Tem
Councilor Carmichael A. Dominguez
Councilor Mike Harris
Councilor Peter N. Ives
Councilor Joseph M. Maestas
Councilor Christopher M. Rivera
Councilor Ronald S. Trujillo

Members Excused

Councilor Renee D. Villarreal

Others Attending

Brian K. Snyder, City Manager
Kelley A. Brennan, City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

3. APPROVAL OF AGENDA

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

VOTE: The motion was approved on a voice vote with Mayor Gonzales and Councilors Dominguez, Harris, Ives, Lindell, Maestas, Rivera and Trujillo voting in favor of the motion and none voting against.

4. CONSIDERATION OF RESOLUTION NO. 2017-37 (COUNCILOR DOMINGUEZ AND COUNCILOR IVES). A RESOLUTION INCREASING THE OPERATING MILL LEVY PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE TO MAINTAIN THE CURRENT TOTAL PROPERTY TAX RATE OF 2.817. (MARCOS MARTINEZ AND ADAM JOHNSON)

MOTION: Councilor Dominguez moved, seconded by Councilor Harris, to adopt Resolution No. 2017-37, as presented.

DISCUSSION: Councilor Maestas said we have been saying this mill levy would pay for the 2% COLA, but only \$1.2 million is needed, and we agreed to aside the \$400,000 in the form of a merit pool, and asked how we can formalize this commitment. He said about 1/3 of the 2% COLA will be paid by enterprise, utilities and Lodgers' Tax, with the rest coming from the General Fund. He would like to formalize the commitment for the merit pool, commenting that he supports merit pay.

Councilor Maestas continued, saying he said he did some quick math and using that \$400,000 would allow the City to provide its employees a 2.7% COLA. He said the next administration and Governing Body might not want to set aside \$400,000 for merit pay. He said the option to make sure it is permanently for employee raises is to dedicate the entire mill levy for a COLA.

Councilor Dominguez said the Committee did have some of those discussions during the budget hearings and the whole concept. He said he thinks Councilor Maestas answered part of his own question, in that we don't know what the next administration may or may not do. We don't know what a compensation & classification study will bring, or what will happen with the next FY budget. He said those funds provides flexibility for this year and the fiscal year after that. He said that way, we, at least, will have \$400,000 to do that, instead of boxing ourselves in with a full dedication and not having the flexibility to deal with a COLA during the next fiscal year. He said during the approval of the budget, we didn't limit it to a merit pool, we expanded it to include a potential COLA for the fiscal year after that. He thinks we need to give the administration the opportunity to prove to us that they can implement a merit system. He said he is skeptical about that, but he wants to

give them the flexibility to do that. He said in the budget approval we said if we decide we can't do a merit pool system, that we could give it to employees for a future COLA. He said it is a nice discussion to have, instead of having to talk about cuts.

Councilor Dominguez continued, saying he understand Councilor Maestas, and if we had more reassurance about what the economy is going to do, about what the State is going to do, and what future budgets would look like, then we could make that dedication. However, he is reluctant to go too far, too soon.

Mayor Gonzales said he hasn't heard a policy or direction from the Governing Body in support for a merit pay system, although there have been discussions. He said with regard to the compensation and classification study which is underway, there is an expectation that there will be a disparity or gap in what employees currently are earning and what they should be making. He said there needs to be resources set aside to begin to address how to close the gap, beginning this year into subsequent years.

Mayor Gonzales continued, saying in terms of Councilor Maestas's request to make sure it is memorialized or fully committed to employees, it seems that has been done. However, perhaps we need to make that more clear for the record. However, as Councilor Dominguez said, there needs to be a set-aside or a fund to get us started to address what may come back in the compensation and classification study recommendations, and this seems to be a good start, however we approach it.

He asked Councilor Dominguez if he has concerns about the way the budget was set up, if there would be room for interpretation that the additional \$400,000 could be used for any other purpose by the City.

Councilor Dominguez said no. He said there is enough flexibility. In the past, non-union employees haven't gotten raises, and that might be a decision in the following fiscal year to give non-union employees a raise. This will give us the flexibility to go there if we decide to. He appreciates wanting to memorialize those funds, noting we have memorialized a percentage of COLA. He said we will need money to address all the things that will be exposed by the Study. He said the Governing Body may decide that the recommendations of the Study may cost too much, and we may want to use the \$400,000 in other ways for employees. He said he sees this as providing flexibility for the future. He said we don't want to memorialize all of it and then need to find additional funds for a merit pool, or for the recommendations of the Study, or even to do another COLA.

Councilor Harris said when we discussed this 30 minutes ago, Mr. Johnson noted the correction was to a balance of \$309,000 instead of \$409,000. He thinks we're fine moving forward and these funds will be dedicated to our employees in some time in some fashion. He said he believes that's all we need to do.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

5. **CONSIDERATION OF RESOLUTION NO. 2017-38 (COUNCILOR MAESTAS, COUNCILOR LINDELL, COUNCILOR DOMINGUEZ AND COUNCILOR VILLARREAL). A RESOLUTION EXPRESSING THE GOVERNING BODY'S RESPECTFUL REQUEST TO THE SANTA FE COUNTY COMMISSION FOR A DELAY IN ACTION ON THEIR PROPOSED COUNTY-WIDE GROSS RECEIPTS TAX INCREASE PENDING THE OUTCOME OF THE PLANNED JOINT CITY COUNCIL/COUNTY COMMISSION MEETING ON JUNE 15, 2017, TO FULLY ADDRESS THE ISSUE. (ADAM JOHNSON)**

Councilor Maestas said he made more detailed comment at the Finance Committee. He said this Resolution is introduced to follow through in the spirit of the joint meetings with the City and the County. And, based on the letter of invitation, any issue is on the table. He thinks a County-wide tax is of mutual concern. He thinks we should have an opportunity to discuss it to ensure we are coordinating and collaborating on the planned expenditures and to ensure there are no duplication of services. He said this isn't a question of the County's taxation authority, or to cause acrimony. It simply is a means to avoid repeating what happened in 2015. He said, in light of the recent election, we know people have a high sensitivity to taxation and we should represent our electorate by being willing to engage in a productive conversation with the County about the proposed County-wide tax.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to adopt Resolution No. 2017-38, as presented.

DISCUSSION: Councilor Trujillo asked when the County Commission is expected to vote on the tax.

Mr. Snyder understands they have scheduled a public hearing scheduled for May 30th.

Councilor Trujillo asked when they will make their final vote.

Mr. Snyder said he is unsure, noting May 30th is a public hearing, and he is unsure if that will be the Commission's final vote. He said the tax must be enacted and to Taxation and Revenue by the end of June, but he is unsure of the exact meeting schedule. He said the Governing Body was invited to comment at the public hearing on May 30, 2017, which is next Tuesday.

Councilor Trujillo said he is fine with the Resolution. However, he has heard from some of the County Commissioners that they plan on going forward with the tax. Councilor Trujillo reiterated he is in favor of the Resolution.

Councilor Dominguez thanked Councilor Maestas for his comments, saying he believes he [Councilor Dominguez] said what he needed to say at the Finance Committee meeting. He said we are just complying with County's request of March 27, 2017, to have a joint meeting to talk about the benefits of greater community concern. He said the tax increase proposed by the County is a discussion that is relative to the benefits of greater community concern. He said people who recently came out in opposition to tax increases need to be as adamant and as vocal about this potential tax increase as they were about the previous tax that was proposed.

Councilor Dominguez continued, "And just to make the record straight, one of the last times that the County tried to increase a GRT for public safety, the City came out in vehement opposition to it. And it resulted in dialogue to talk about benefits of greater concern, and so I think it's an appropriate discussion. While I don't see it.....I definitely don't see it as us butting into the County's business. The County has every right to impose whatever taxes the State allows them to do. I think it's unfortunate that they have done it administratively where the City has not. The City has imposed taxes through voter referendum. But that's their business, that's up to them to decide. I think the City has done a very good job in making sure that we are transparent about our taxing authority, and how we impose that taxing authority. As a County resident, and someone who is going to have to pay that increase and may not see any potential benefit to it, I bring it up as a resident, and it's something that they need to pay attention to. So I stand in support of the bill."

Councilor Maestas said, "I just wanted to acknowledge for the record, we did get an explanation from the Vice-Chair of the Santa Fe County Commission, Commissioner Anna Hansen, so I just want to acknowledge her efforts to try and expand on the rationale on their potential decision. And I think she kind of gave us a primer, in terms of how County taxation revenues benefit the City, but I wanted to acknowledge that. And this is a very rapidly developing decision, and we're fortunate as a City. We are the County Seat, but I feel for the communities of Edgewood and Espanola that may not have an opportunity to weigh-in on it in their own communities, to encourage their own constituents to weigh-in on it. And so I realize my primary concern, of course, is the City of Santa Fe. But I just feel for Edgewood and Espanola. And that's all I had Mayor. Thank you."

Councilor Rivera asked Mr. Snyder if he has sat with the County Manager to talk about what is going to be on the agenda, and if they move forward with implementation of the tax prior to our joint meeting, what else will we meet about.

Mr. Snyder said he spoke with County Manager Katherine Miller on Friday on general topics, noting largely the meeting that is scheduled was to have this item on there, and then, assuming they don't move forward with the tax before June 15, 2017, some larger conversation on opportunities for the City and County to collaborate, areas of concern whether it be the RECC, and others. He said he has heard annexation is still a concern to some Commissioners. He said the agenda has not been finalized, and is up for discussion, but the goal is to come up with an agenda with some broad topics and conversations around areas where we can collaborate.

Councilor Rivera asked, even if the tax is approved, would there would be room to discuss where the funding would be used.

Mr. Snyder said he believes the County has a plan for where the funding will be utilized. He has spoken "loosely," with Ms. Miller about behavioral health, fire, public safety and RECC needs, noting these are the areas the County is considering for funding, commenting there probably are others as well.

Mayor Gonzales said when the initial Resolution came out he had concern about the Governing Body trying to weigh-in on what clearly is the prerogative of the County. He said, having sat as a County Commissioner, he often would struggle with the fact that the City did so well, and the County was struggling and didn't have the GRT capacity that exists currently, so it is hard to know what he would have done in that position. He thinks Councilor Dominguez's point is very clear, in terms of what he heard during the recent election from many people about taxation and the burden of paying more and more, commenting that this is something our community clearly isn't wanting to do right now. He said we are in a position to represent our constituency as elected officials when it is appropriate, and thinks Councilor Maestas' Resolution offers our ability to use our voices.

Mayor Gonzales continued, saying we are in this position because the State really hasn't been able to find a proper way to decouple the taxation policy of the State and local governments. So it puts us in these difficult circumstances with our constituencies where the State advocates its responsibility and local governments are left to pick up the tab. And in picking up the tab, local governments are very limited in its revenue sources. He said the GRT is a regressive tax, and when there are high property taxes and stagnant wages, it is very difficult to look at tax increases. He said this is forcing the issue with the County. This is an unfortunate situation, but a reality on which we have to act.

Mayor Gonzales continued, saying for the past 3 years this Governing Body and the administration have struggled to bring financial reform to overcome a deficit and to bring transparency. We have been able to do that without having to raise GRTs. He said we can always look to additional costs through efficiencies before asking the public to raise taxes. He said the City continues to do well, and be a place in which people are investing. He said the most recent reports for the first quarter, indicate that property values have been on the rise continuously. He said the number one benefactor of this is the County. He said the effort of the City to regrow its economy and moving forward has had a direct benefit on the County coffers that should be considered by the County prior to enacting an additional increment of the GRT.

Mayor Gonzales continued, saying he is cautious about stating what he thinks the County Commission should do, because they are taking their jobs seriously and trying to figure out how to move forward. He said if the GRT is implemented by the County it will raise our tax rate to one of the highest in the State, which will create a further competitive barrier to attracting business and will be shouldered by the working poor. He said we do have to stand up and say, "No. This is not the right place to go right now, and you have to find another place."

Mayor Gonzales reiterated his initial reluctance to support the Resolution, but after considering everything, he believes it is the right vehicle for this Governing Body to express our concern. He said, to Councilor Trujillo's point, we've had a series of conversations with the Commission over the past 2 years. There isn't as much participation or follow up we need to do, but we have met with them. The issue of having the dialogue has been in place. It is tough for two governments to create alignment when it isn't mandatory. He thinks, through these conversations, we will be able to find our way to ways we can work together, but we have to show up to those meetings and participate. He said the call asking the County to push the brakes until that meeting will be a critical one.

Councilor Maestas said our constituents need to understand that we are 75% reliant on GRTs, but we are expected to provide stable services in reliance on unstable revenue sources such as the GRTs. He said it has taken a long time to come out of the recession. His hope is the Mayor can communicate with the Legislative majority as well as the Executive, to tell them that cities can no longer operate this way. He said Santa Fe is a Home Rule City and can realize its destiny through self government. However, the Legislator gives us only limited taxing authority. He said there is a "cookie cutter approach or cookie cutter menu" for revenues. If we are to be a real Home Rule City, he believes we should have all the taxation authority possible. He said this reveals the issues in the tax code and how the Cities haven't been treated fairly, most especially Home Rule Cities.

Mayor Gonzales said even more pressing is that the State is considering a tax on food as part of its GRT reform.

Councilor Trujillo said he understands we have had conversations with the County. He said the last meeting with the County, was when we were looking at annexation and what remains that the County hasn't done. This is the last meeting he recalls attending, commenting he wanted to have a discussion with the School as well dealing with LaFarge.

Councilor Dominguez said in February we had a meeting about Tourism and Economic Development, noting Kate Noble attended that meeting, and there was a regional discussion about OTAB. He said the underlying factor that is kind of gnawing at the County, is the agreements that we have with them regarding annexation. He guesses this different County Commission feels that a different County Commission spoke for them.

Councilor Trujillo said he recalls being a part of that discussion, and said he understands that. He said, "And like Councilor Rivera asked, what's on the agenda." And we haven't seen the agenda for this meeting, and he wants to see that so we can have a good dialogue between the two entities. He said this needs to happen.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Gonzales, Councilor Dominguez, Councilor Harris, Councilor Ives, Councilor Lindell, Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: None.

6. MATTERS FROM THE GOVERNING BODY

A copy of Bills and Resolutions schedules for introduction by members of the Governing Body for the Special City Council meeting of May 22, 2017, is incorporated herewith to these minutes as Exhibit "1."

Councilor Trujillo

Councilor Trujillo noted that this Wednesday night is the opening night for the Fuego, and invited everyone to join him at the game at 6:00 p.m.

Councilor Harris

Councilor Harris reiterated his request for a debriefing on the immediate past Special Election, to be conducted by the City Ethics and Campaign Review Board, which he believes falls

under the purview of that Committee, and read the duties from the enabling legislation. He would like this done in fairly short order.

Mayor Gonzales

Mayor Gonzales had no communications.

Councilor Lindell

Councilor Lindell had no communications.

Councilor Dominguez

Councilor Dominguez noted the Finance Committee will reconvene at approximately 6:20 p.m.

Councilor Ives

Councilor Ives had no communications.

Councilor Rivera

Councilor Rivera introduced a Resolution increasing the compensation awarded to the contract for services rendered in organization of the Fourth of July Fireworks Show to \$35,000; and waiting all fees associated with the production of the event.

Councilor Rivera said once they found out the Boys and Girls Club were unable to continue to do the Fireworks Show, they contacted the Kiwanis about doing the show. This included a venue change which will come forth with the Resolution. He applauds the Kiwanis for stepping up and doing this, and the Boys and Girls Club for coming to the table and talking about what worked and didn't work for them, and how to make it a better fireworks show moving forward. He said he is supporting this because he thinks it's important to have a venue and place for a Fireworks Show in Santa Fe on July 4th.

Mayor Gonzales thanked Councilor Rivera on behalf of the Governing Body, for working with the Kiwanis and others to be sure this is a reality. He thinks it is appropriate to support the request.

Councilor Rivera noted that Councilor Dominguez and Councilor Trujillo want to sign on as a cosponsor.

Councilor Rivera said the two Shell stations are selling containers of beer on tap to go. He asked Mr. Snyder and Ms. Vigil to please look into that to see if that is in accordance with their liquor license.

Councilor Lindell asked where the Fireworks show will be held.

Councilor Rivera said Kiwanis has been working with Santa Fe Place Mall, and thinks that will be the best venue.

7. ADJOURN

There was no further business to come before the Governing Body, and upon completion of the Agenda, the meeting was adjourned at approximately 6:15 p.m.

Approved by:



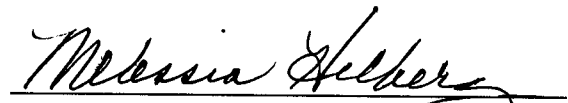
Mayor Javier M. Gonzales

ATTESTED TO:



Yolanda Y. Vigil, City Clerk

Respectfully submitted:


Melessia Helberg, Council Stenographer



SPECIAL CITY COUNCIL MEETING OF
May 22, 2017
BILLS AND RESOLUTIONS SCHEDULED FOR INTRODUCTION
BY MEMBERS OF THE GOVERNING BODY

Mayor Javier Gonzales		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Carmichael Dominguez		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Mike Harris		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Peter Ives		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Signe Lindell		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Joseph Maestas		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Chris Rivera		
Co-Sponsors	Title	Tentative Committee Schedule
	A RESOLUTION INCREASING THE COMPENSATION AWARDED TO THE CONTRACTOR FOR SERVICES RENDERED IN ORGANIZATION OF THE FOURTH OF JULY FIREWORKS SHOW TO \$35,000; AND WAIVING ALL FEES ASSOCIATED WITH PRODUCTION OF THE EVENT.	City Council – 5/31/17

EXHIBIT 47

Councilor Ron Trujillo		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Renee Villarreal		
Co-Sponsors	Title	Tentative Committee Schedule

Introduced legislation will be posted on the City Attorney's website, under legislative services. If you would like to review the legislation prior to that time or you would like to be a co-sponsor, please contact Jesse Guillen, (505) 955-6518, jbg Guillen@santafenm.gov or Rebecca Seligman at (505) 955-6501, rxseligman@santafenm.gov .