

**City of Santa Fe, NM**  
**Regular Committee**  
**Monday, July 17, 2017**  
**05:00 PM – Finance Committee**  
**Council Chambers**

**AGENDA**

CITY CLERK'S OFFICE

DATE 7/14/17 TIME 1:00 PM

SERVED BY Carolyn Raibel

RECEIVED BY Melanie Byers

**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 19, 2017

Regular Finance Committee Minutes - July 3, 2017

July 3, 2017 FC Minutes.pdf

June 19th 2017 Minutes -combined.pdf

**INFORMATIONAL**

6. Performance Audit - Public Utilities, Utility Billing, Customer Deposits. (Liza Kerr, Shannon Jones, Caryn Fiorina)

Audit Report -rev combined 06.29 L. Kerr.pdf

**CONSENT AGENDA**

7. Request for Approval of Agreement in the Amount of \$77,639.37 – Adobe Software via Three-Year Enterprise License Agreement: SHI International Co. (B. Malecki)

ETLA-PacketDocs.pdf

8. Request for Approval of Procurement and Professional Services Agreement in the Amount of \$374,645.41 - Planning and Design for the Reconstruction of Guadalupe St. From Agua Fria to Paseo de Peralta; Wison & Company, Inc. (David Catanach)

Guadalupe Contract-FC 07.17.17.pdf

9. Request for Approval of Procurement via HGAC Buy Price Agreement in the Amount of \$348,732 - Vactor Equipment; VAC-CON, Inc., (David Catanach).

Vactor Purchase Request -FC 07.17.17 D Catanach.pdf

10. Request for Approval of State Price and Professional Services Agreement in the Amount of \$400,000 - Asphalt Concrete Patch Material; GM Emulsions LLC. (David Catanach)

GM Emulsions FC 07.17-David Catanach.pdf

11. Request for Approval of City of Santa Fe On-Call Agreement and State Price Agreement in the Amount of 2,358,946.21 -Pavement Maintenance Projects (Labor and Materials, and Asphalt Concrete Patch Material); GM Emulsions LLC. (David Catanach)

2017-2018 Pavement Maintenance Projects -FC 07.17.17 D. Catanach.pdf

12. Request for Approval of Award of Bid No. '17/32/B in the Amount of \$516,011.50 - FY 2017/2018 City Wide Water Utility Construction & Repair Contract – CIP # 953; Sub Surface Contracting, Inc. (Bill Huey)

Award of Bid 17-32-B - Sub Surface Contracting - COMBINED.pdf

13. Request for Approval of Amendments of Two (2) Professional Services Agreements in the Total Amount of \$205,000 - Provide Workforce Development, Entrepreneurial Acceleration and Other Support for Business Development in Santa Fe; Youthworks, SCORE. (Alexandra Ladd and Matthew Brown)

SCORE-Youthworks combined v.1.pdf

14. Request for Approval of a Budget Adjustment/Increase in the Water Rights Development CIP Fund in the Amount of \$132,809. (Shannon Jones)

BAR - \$132,809 - COMBINED.pdf

15. Request for Approval of Award of Bid No. '17/48/P in the Amount of \$157,073.28 - Provide Consultant Services for the Paseo Real Wastewater Treatment Plant Belt Filter Press # 3; HDR Engineering, Inc. (Kenneth Espinoza)

Award of Bid 17-48-P - HDR Engineering - COMBINED.pdf

16. Request for Approval of a Professional Services Agreement Through a Cooperative Education Services Agreement in the Amount of \$184,438.92 - CRWTP Security System Improvements Phase III; Intraworks, Inc. (Alex Gamino)

PSA - Intraworks, Inc. - COMBINED.pdf

17. Request for Approval of a Professional Services Agreement in the Amount of \$221,997 - to Complete Phase I Engineering and Permitting/Preliminary Design Evaluation for Reuse Pipeline from Paseo Real WWTP to the Rio Grande Based on a Cooperative Procurement via an Albuquerque Bernalillo County Water Authority On-Call Engineering Contract for Water and Wastewater Services; Carollo Engineers. (William Schneider)

PSA - Carollo Engineers - COMBINED.pdf

18. Request for Approval of Sole Source and Professional Services Agreement in the Amount of \$71,280 - Payment to Hire/Pay Employee to Perform Functions of a Domestic Violence & Sexual Assault Coordinator and Assist with the U-Visa Certification Process When Necessary.

PD - Solace Employee PSA 2017 - Nancy Jimenez.pdf

19. Request for Approval of Ratification of Purchase Order No. 16175967 in the Amount of \$112,909.18 - Sewage Services Near Christus St. Vincent Hospital for the WWMD. (Jerry Tapia)

Ratification of Purchase Order No. 16175967 - COMBINED.pdf

20. Request for Approval of Legal Services Agreement Amendment NO. 2 in the Amount of \$50,000 - Work on Three Issues Before the New Mexico Office of the State Engineer (OSE):

1) the Northwest Well Application, 2) Return Flow/Discharge Credit Application, 3) Groundwater Storage and Recovery Permit; Stein & Brockmann, LLC. (Marcos Martinez).

Stein & Brockmann -combined.pdf

21. Request for Approval of Procurement via National Joint Powers Alliance Cooperative Purchasing Agreement in the Amount of \$237,342.70 - Vaulted Toilets; CXT, Inc. (Richard Thompson).

CXT Inc.- rev. combined.pdf

22. Request for Approval of Meow Wolf Local Economic Development Project: (Mayor Gonzales, Councilors Lindell, Harris and Ives) (Fabian Trujillo)

a) An Ordinance Relating to the City of Santa Fe Economic Development Plan Ordinance, Article 11-11 SFCC 1987; Approving and Adopting A Local Economic Development Project Participation Agreement Between The City Of Santa Fe and Meow Wolf, Inc. for Acquisition and Expansion of a New Production and Cultural Facility, a Local Economic Development Project.

(1) Request for Approval of Local Economic Development Project Participation Agreement Between the City of Santa Fe and Meow Wolf for Expansion of its Facilities and to Improve or Construct Infrastructure Necessary to the Facility Located at 2600 Camino Estrada, Santa Fe, NM.

b) Request for Approval of Intergovernmental Agreement Between the New Mexico Economic Development Department and the City of Santa Fe, New Mexico for the Purpose of Facilitation the Disbursement of Funds for the Meow Wolf Local Economic Development Project.

c) Request for Approval of Budget Adjustment in the Amount of \$550,000.

#### Committee Review

Economic Development Review Subcommittee (approved)	06/26/17
City Council (request to publish)	06/28/17
Economic Development Advisory Committee	07/12/17
City Council (public hearing)	07/26/17

Fiscal Impact:	Expenditures (PPA) = FY17/18 - \$625,000; FY 18/19, 19/20, and 20/21 - \$475,000
	Revenue (NMEDD LEDA Grant = FY17/18 - \$550,000; FY 18/19, 19/20, and 20/21 -
	\$300,000

Meow Wolf-combined.pdf

23. Request for Approval of an Ordinance Authorizing The Sale of 1,491 Square Feet of Real Property Consisting of a Portion of the Former Bower Street Right-of-Way Adjacent to 322 Paseo De Peralta and Described as "Parcel 1" as Shown and Delineated on a Survey Entitled, "Plat of Boundary Survey for the City of Santa Fe Parcel 1" Prepared by Sierra Land Surveying, Inc., David E. Cooper, N.M.P.S. No. 9052, Dated February 15, 2017, Lying and Being Situate Within the City and County of Santa Fe, New Mexico. (Councilor Lindell) (Matthew O'Reilly)

#### Committee Review

Public Works Committee (approved)	06/26/17
City Council (request to publish) (approved)	06/28/17

City Council (public hearing)

07/26/17

Fiscal Impact: Revenue = \$30,000

Real Property Sale - 322 Paseo de Peralta (FC Pkt).pdf

24. Request for Approval of an Ordinance Amending Subsection 14-6.3(B)(2)(C) SFCC 1987 to Regulate Parking or Storage of Specified Noncommercial Vehicles Within Residentially Zoned Districts. (Councilors Lindell and Ives) (Greg Smith)

## Committee Review:

Planning Commission (approved)	05/18/17
Public Works Committee (approved)	06/26/17
City Council (request to publish) (approved)	06/28/17
City Council (public hearing)	07/31/17

Fiscal Impact: None

Storage in Residential Districts-combined.pdf

25. Request for Approval of a Resolution of the Fourth Quarter (Year-End) Budget Adjustments for Fiscal Year 2016/2017, and Accompanying Quarterly Report and Associated Forms/Schedules required for Submittal to the New Mexico Department of Finance and Administration/Local Government Division (DFA/LGD) for the Third Quarter of Fiscal Year 2016/2017. (Andy Hopkins)

4th Q 16-17 Budget Adj-signed combined.pdf

26. Request for Approval of An Ordinance Repealing Section 25-11 Relating To The Water Conservation Credit Program. (Councilor Rivera) (Andrew Erdmann)

## Committee Review:

Public Utilities Committee	07/05/17
Water Conservation Commission	07/11/17
City Council (request to publish)	07/12/17
City Council (public hearing)	08/09/17

Fiscal Impact: None

Water Conservation Credit Repeal (FC Pkt).pdf

27. Request for Approval of a Resolution Granting Provisional Authority to the City Manager to Approve Grants With Time Sensitive Deadlines; and Directing the City Manager to Submit the Grant to the Governing Body for Ratification at the Earliest Regularly Scheduled City Council Meeting, Thereafter. (Councilors Rivera, Maestas, Harris and Ives) (David Chapman)

## Committee Review:

Public Works Committee	07/10/17
City Council	07/26/17

Fiscal Impact: None

CM Grant Approval-combined.pdf

28. Request for Approval of a Resolution Directing the City Manager To Identify Potential Funding Sources To Support The Work Of Industry Stakeholders To Develop The "Santa Fe Network.Tv." (Mayor Gonzales) (Alexandra Ladd)

Committee Review:

Economic Development Advisory Committee (no recommendation)	06/14/17
Finance Committee (postponed)	06/19/17
City Council	07/26/17

Fiscal Impact: \$45,000 - funds will come from Tourism (\$25,000) and Economic Development (\$20,000)

Santa Fe Network.tv Funding (FC Pkt) 1.pdf

**DISCUSSION**

29. Presentation of Draft 2019-2013 Infrastructure Capital Improvements Plan (ICIP) (Nicholas Schiavo)  
#9 ICP Plan combined w orig ICP.pdf

30. Request for Review and Approval for Discussion of Debt Management Policy Recommendation. (Adam Johnson and Bradley Fluetsch)  
Debt Policy-comb-rev.pdf

**MATTERS FROM STAFF**

**MATTERS FROM THE COMMITTEE**

**EXECUTIVE SESSION**

**ADJOURN**

Finance Committee Meeting – Index – July 17, 2017

Cover Page		Page 0
Call to Order	The Chair, City Councilor Carmichael Dominguez at 5:00 pm, called the regular meeting of the City of Santa Fe Finance Committee to order. A quorum is reflected in Roll Call.	Page 1
Approval of Agenda	<b><i>Councilor Harris moved to approve the agenda as presented, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b>	Page 1
Approval of Consent Agenda	<b><i>Councilor Ives moved to approve the consent agenda as amended with the following consent items pulled: # 7, 8, 11, 12, 13, 15,17, 18, 19, 21, 22, 25, 27 and 28, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b>	Page 1-2
Approval of Minutes	June 19, 2017 and July 3, 2017 – No changes from staff.  <b><i>Councilor Lindell moved to approve the minutes June 19, 2017 and July 3, 2017 as presented, second by Councilor Harris, motion carried by unanimous voice vote.</i></b>	Page 2
Informational	Performance Audit, Public Utilities, Utility Billing, Customer Deposits	Page 2-4
Consent Agenda #7 Request for approval of Agreement in the Amount of \$77,639.37 – Adobe Software via Three Year Enterprise License Agreement: SHI International	<b><i>Councilor Lindell moved to approve Agreement in the Amount of \$77,639.37 – Adobe</i></b>	Page 4 - 37

Co.	<b><i>Software via Three Year Enterprise License Agreement: SHI International Co., second by Councilor Harris, motion carried by unanimous voice vote.</i></b>	
#8 Request for approval of Procurement and Professional Services Agreement in the amount of \$374,645.41 – Planning and Design for the Reconstruction of Guadalupe Street from Agua Fria to Paseo de Peralta.	<b><i>Councilor Harris moved to approve Procurement and Professional Services Agreement in the amount of \$374,645.41 – Planning and Design for the Reconstruction of Guadalupe Street from Agua Fria to Paseo de Peralta, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b>	
#11 Request for approval of City of Santa Fe On-Call Agreement and State Price Agreement in the amount of \$2,358,946.21 – Pavement Maintenance Projects (Labor and materials, and asphalt concrete patch material) GM Emulsions LLC	<b><i>Councilor Harris moved to approve request for City of Santa Fe On-Call Agreement and State Price Agreement in the amount of \$2,358,946.21 – Pavement Maintenance Projects (Labor and materials, and asphalt concrete patch material) GM Emulsions LLC, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b>	
#12 - Request for approval of Award Bid No. 17/32/B in the amount of \$516,011.50 - FY 2017/18 City-wide Water Utility Construction and Repair	<b><i>Councilor Lindell moved to approve Award Bid No. 17/32/B in the amount of \$516,011.50 - FY 2017/18 City-wide</i></b>	

<p>Contract – CIP #953; Sub-Surface contracting Inc.</p>	<p><b><i>Water Utility Construction and Repair Contract – CIP #953; Sub-Surface contracting Inc., second by Councilor Ives, motion carried by unanimous voice vote.</i></b></p>	
<p>#13 Request for approval of Amendments of Two (2) Professional Services Agreements in the total amount of \$205,000 – Provide Workforce Development Entrepreneurial Acceleration and other support for Business Development in Santa Fe; Youthworks; SCORE. – Matthew Brown</p>	<p><b><i>Councilor Villarreal moved to approve Amendment of the Professional Services Agreements in the total amount of \$205,000 – Provide Workforce Development Entrepreneurial Acceleration and other support for Business Development in Santa Fe for Youthworks; and to wait for SCORE until report is received, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p>	
<p>#15 Request for approval of award of Bid No. '17/48/P in the amount of \$157,073.28 – provide consultant services for the Paseo Real Wastewater Treatment Plan Belt Filter Press #3; HDR Engineering, Inc.</p>	<p><b><i>Friendly Amendment: If both reports are in, that approval is for both YouthWorks and SCORE prior to the Council Meeting.</i></b></p> <p><b><i>Councilor Lindell moved to approve the award of Bid No. '17/48/P in the amount of \$157,073.28 – provide consultant services for the Paseo Real Wastewater Treatment Plan Belt Filter Press #3; HDR Engineering, Inc.,</i></b></p>	

<p>#17 Request for approval of a Professional Service Agreement in the amount of \$221,997 to complete Phase I engineering and permitting/preliminary design evaluation for Reuse Pipeline from Paseo Real WWTP to the Rio Grande based on a Cooperative Procurement via an Albuquerque Bernalillo County Water Authority on-call engineering contract for water and wastewater services; Carollo Engineers.</p> <p>#18 Request for approval of Sole Source and Professional Services Agreement in the amount of \$71,280 – Payment of hire/pay employee to perform functions of a Domestic Violence &amp; Sexual Assault Coordinator and assist with the U-Visa Certification Process when necessary; Solace Crisis Treatment Center.</p>	<p><i>second by Councilor Harris, motion carried by unanimous voice vote.</i></p> <p><i>Councilor Harris moved to approve Professional Service Agreement in the amount of \$221,997 to complete Phase I engineering and permitting/preliminary design evaluation for Reuse Pipeline from Paseo Real WWTP to the Rio Grande based on a Cooperative Procurement via an Albuquerque Bernalillo County Water Authority on-call engineering contract for water and wastewater services; Carollo Engineers, second by Councilor Ives, motion carried by unanimous voice vote.</i></p> <p><i>Councilor Harris moved to approve Sole Source and Professional Services Agreement in the amount of \$71,280 – Payment of hire/pay employee to perform functions of a Domestic Violence &amp; Sexual Assault Coordinator and assist with the U-Visa Certification Process when necessary; Solace Crisis Treatment Center, second by Councilor Villarreal, motion carried by unanimous voice vote.</i></p>	
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<p>#19 Request for approval of ratification of Purchase Order No. 16175967 in the amount of \$112,909.18 – sewage services near Christus St. Vincent Hospital for the WWMD.</p>	<p><b><i>Councilor Harris moved to approve ratification of Purchase Order No. 16175967 in the amount of \$112,909.18 – sewage services near Christus St. Vincent Hospital for the WWMD, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p>	
<p>#21 Request for approval of procurement via National Joint Powers Alliance Cooperative Purchasing Agreement in the amount of \$237,342.70, vaulted toilets; CXT Inc.</p>	<p><b><i>Councilor Harris moved to approve the procurement via National Joint Powers Alliance Cooperative Purchasing Agreement in the amount of \$237,342.70, vaulted toilets; CXT Inc., second by Councilor Ives, motion carried by unanimous voice vote.</i></b></p>	
<p>#22 - Request for approval of Meow Wolf Local Economic Development Project.</p> <p>a) An Ordinance relating to the City of Santa Fe Economic Development Plan Ordinance, Article 11-11 SFCC 1987; approving and adopting a local economic development project participation agreement between the City of Santa Fe and Meow Wolf Inc., for acquisition and expansion of a new Production and Cultural Facility, a local</p>	<p><b><i>Councilor Harris moved to approve Request for approval of Meow Wolf Local Economic Development Project to include #22 a,b,c and i, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p> <p><b><i>Councilor Harris moved to amend the agenda to allow #28 to be heard, second by Councilor Ives, motion carried by unanimous voice vote.</i></b></p>	

<p>economic development project.</p> <ul style="list-style-type: none"> <li>i. Request for approval of local economic development project participation agreement between the city of Santa Fe and Meow Wolf for expansion of its facilities and to improve or construct infrastructure necessary to the facility located at 2600 Camino Estrada, Santa Fe, NM</li> <li>b) Request for approval of Intergovernmental Agreement between the NM Economic Development Department and the City of Sana Fe, NM for the purpose of facilitation and disbursement of funds for the Meow Wolf Economic Development project.</li> <li>c) Request for approval of Budget Adjustment in the amount of \$550,000.</li> </ul> <p><b>The Chair noted that they would address a, b, c and i, with one motion to approve.</b></p> <p>#25 Request for approval of a Resolution of the fourth quarter (year-end) budget adjustments for Fiscal Year 2016/2017, and accompanying quarterly report and associated forms/schedules required for submittal to the New Mexico Department of Finance and Administration/Local Government Division (DFA/LGD) for the third quarter of fiscal year</p>	<p><b>Councilor Villarreal moved to amend the agenda and hear #27 before #28, second by Councilor Ives, motion carried by unanimous voice vote.</b></p>          <p><b>Councilor Ives moved to approve a Resolution of the fourth quarter (year-end) budget adjustments for Fiscal Year 2016/2017, and accompanying quarterly report and associated forms/schedules</b></p>
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<p>2016/17. Andy Hopkins</p>	<p><b><i>required for submittal to the New Mexico Department of Finance and Administration/Local Government Division (DFA/LGD) for the third quarter of fiscal year 2016/17, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p>	
<p>#27 Request for approval of a Resolution granting provisional authority to the City Manager to approve grants with time sensitive deadlines, and directing the City Manager to submit the grant to the Governing Body for ratification at the earliest regularly scheduled City Council meeting.</p>	<p><b><i>Councilor Villarreal moved to have the Resolution go to Public Utilities first on 8/2/17, to City Council on 8/9/17 for the same resolution. It is important to adjust the schedule to assure that this gets heard at Public Utilities because , it is germane as to what has already passed in a resolution, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p>	
<p>#28 - Request for approval of a Resolution directing the City Manager to identify potential funding sources to support the work of industry stakeholders to develop the “Santa Fe Network TV”.</p>	<p><b><i>Councilor Harris moved to approve the resolution as amended with potential changes to the text of the resolution as well as to include the change to the caption, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p> <p><b><i>Chair Dominguez added to include him as an “I”</i></b></p>	

	<p><b>for now until it goes to City Council.</b></p> <p><b>Councilor Ives: Will check with Public Works to assure the information includes the amended caption wording.</b></p>	
#29 - Presentation of draft 2019-2013 Infrastructure Capital Improvements Plan (ICIP)	<p>Nick (staff) is looking for recommendation from the Finance Committee on the top 5 CIP projects.</p> <p><b><u>Finance Committee Direction</u></b> –Take it to Public Works to be vetted.</p>	
#30 - Request for review and approval for discussion of Debt Management Policy Recommendation.	<p><b><i>Councilor Ives moved to approve review and approval for discussion of Debt Management Policy Recommendation, second by Councilor Lindell, motion carried by unanimous voice vote.</i></b></p>	
Matters from Staff	None	Page 37
Matters from the Committee	Informational	Page 37
Executive Session	None	Page 38
Adjourn	There being no further business to come before the Finance Committee the Chair called for adjournment at 8:30 pm	Page 4
Signature Page		Page 38

CITY OF SANTA FE  
FINANCE COMMITTEE  
MINUTES

Monday, July 17, 2017

5:00 pm – 8:30 pm

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1. Call to Order

The Chair, City Councilor Carmichael Dominguez at 5:00 pm, called the regular meeting of the City of Santa Fe Finance Committee to order. A quorum is reflected in Roll Call.

2. Roll Call

Councilor Carmichael Dominguez, Chair  
Councilor Signe Lindell  
Councilor Michael Harris  
Councilor Peter Ives  
Councilor Renee Villarreal

Others Present

Adam Johnson, Finance Director  
Matthew Brown  
David Catanach, Division Director, Public works  
Liza Kerr, Internal Audit  
Deputy Chief Salbidrez, Santa Fe Police Department  
Mr. Schneider  
Nancy Jimenez, Santa Fe Police Department  
Caryn Fiorina, Director, Utility Billing Division  
Fabian Trujillo, Economic Development Department  
Mr. Richard Thompson, Director, Parks and Recreation Department  
Bryan Easton, State of New Mexico Economic Development Department  
Fran Lucero, Stenographer

3. Approval of Agenda

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

4. Approval of Consent Agenda

Councilor Consensus - Request to Pull: # 7, 8, 11, 12, 13, 15, 17, 18, 19, 21, 22, 25, 27 and 28

***Councilor Ives moved to approve the consent agenda as amended with the following consent items pulled: # 7, 8, 11, 12, 13, 15, 17, 18, 19, 21, 22, 25,***

***27 and 28, second by Councilor Lindell, motion carried by unanimous voice vote.***

5. Approval of Minutes, June 19, 2017 and July 3, 2017

No changes from staff.

***Councilor Lindell moved to approve the minutes June 19, 2017 and July 3, 2017 as presented, second by Councilor Harris, motion carried by unanimous voice vote.***

## **INFORMATIONAL**

6. Performance Audit - Public Utilities, Utility Billing, Customer Deposits.  
Liza Kerr:  
Senior Management brought this performance audit to the attention of Internal Audit in 2015. At that time they suspected that one of the managers was diverting cash deposits from certain customers and it was brought to her attention and staff also notified Police Department and Human Resources. SFPD completed their investigation and it was referred to the District Attorney Office and HR action has been taken. At the time that Ms. Kerr came in to this position, she worked very closely with IT and they downloaded close to 13,000 data files for public utilities to see which accounts this particular manager had set up to see if a certain pattern could be identified. In essence they identified and reviewed 138 files, 46 showed deposits diverted. The conclusion of findings was that internal controls and the segregation of duties was the primary cause allowing the Manager to divert the deposits. In this case the situation was that this department was set up functionally to have separate functions; they have a cashiering function, billing and customer service function, and meter reading. When all functions and duties are working you have proper segregation and accountability. In this particular case the Manager was able to perform each of those functions by stepping in to help at different times. People were very grateful for the assistance and nobody really suspected anything until it was discovered. She took extended leave and at that point in time everything fell apart and they were able to detect the diversion.

Caryn Fiorina: Questions

Councilor Ives: When we say that it is likely that 46 charges at \$100 each were diverted; is it clear that it in fact it occurred in 46 instances.

Ms. Fiorina said that was correct. She had the opportunity to work with Ms. Kerr when she was in IT and now that she is in the Utility Billing Division and confirmed this was the case.

Councilor Ives asked what has happened since the accounts were diverted.

Ms. Fiorina said they have reviewed the accounts and have notified the customers. The money was received by the city and taken by the employee. They used a special account from Finance to process and will go through Risk Management.

Councilor Ives asked if they would pursue collection action to recover the funds through a civil suit.

Ms. Fiorina said all she knows is that there is criminal action pending but she did not know anything about a civil suit.

Councilor Ives referred to the legal action stated in the packet but it does not indicate what will be done to recover the funds. The packet explains that the case was been reviewed case by case and could result in a misdemeanor with a statute of limitation.

Ms. Kerr will work with the city legal department to find out what will be done.

Councilor Lindell echoed Councilor Ives assessment of this situation, staff should pursue a discussion with Legal in order to find out the disposition of future action. Councilor Lindell also asked if we have implemented all recommendations and do we have a system in place so this doesn't happen again?

Ms. Fiorina said yes, policies and procedures are in place and it should not happen again.

Councilor Lindell extended her thankfulness to Ms. Fiorina for implementing guidelines to assure this does not happen in the future. Thank you to both for attending to this task.

Councilor Harris has read the short form on each of the eight findings and said it is troublesome to learn there was so much improper management in the water department. Question was directed to the Finance Director, how many cash handling functions do we have through the city.

Mr. Johnson said that it could be up 10 areas of cash handling throughout the city as they do collections for city events and different business operations, different hours.

Councilor Harris asked if the guidelines have been reviewed at each site from this experience.

Mr. Johnson said that the team in the Finance Department is actively working on a broad cash handling process. They will assure that the policies will be understood and implemented correctly.

Councilor Harris asked if any other action will be taken on the other 8 outstanding findings.

Mr. Johnson said that the city will move forward on implementing the policy and discuss how to handle future findings should they reoccur.

Councilor Harris asked the Finance Director to report back to the Committee on the status of the procedures and operations.

The Chair asked Mr. Johnson for his plan of action and timeframe.

Mr. Johnson said they want to assure that they are sweeping and correcting everything all at one time and not piecemealing the process. The goal is to eliminate cash handling and the risk of collecting and transporting cash and facilities holding the cash. They will work not only on the procedure but also the electronic process that they hope to implement in the future getting to a cashless system in the city of Santa Fe. The first 30-days of this process is following the implementation of the process to follow with 60-90 days of continued processes.

## **CONSENT AGENDA**

7. Request for approval of Agreement in the Amount of \$77,639.37 – Adobe Software via Three Year Enterprise License Agreement: SHI International Co.

Councilor Lindell: Pleased to see the changes to the annual pricing of \$179 to \$60. Those efficiencies are helpful to us.

***Councilor Lindell moved to approve Agreement in the Amount of \$77,639.37 – Adobe Software via Three Year Enterprise License Agreement: SHI International Co., second by Councilor Harris, motion carried by unanimous voice vote.***

8. Request for approval of Procurement and Professional Services Agreement in the amount of \$374,645.41 – Planning and Design for the Reconstruction of Guadalupe Street from Agua Fria to Paseo de Peralta.

Mr. Catanach noted that in Mr. David Quintana's absence, questions would be hard to answer.

Councilor Harris: There is no professional liability coverage, most everything else is ok; make sure Wilson provides that. Secondly, we set a low bar to liquidate damages at \$125 daily.

Mr. Catanach stated that they would check with Mr. Quintana to find out why it was set at \$125.

Councilor Harris asked, what is our protocol now, are we storing all of our information digitally, i.e., design documents.

Mr. Catanach responded that they are storing electronically. There is not a formal project management system, each project manager stores his or her own information individually. Designs are stored electronically.

Councilor Harris said, this contract doesn't take the project all the way to design. How many alternative conceptual designs would you guess you are looking at with this contract?

Mr. Catanach did not have an answer at this time.

Councilor Harris stated that task 9 is the final engineering estimate and they are using NMDOT pricing. The Councilor has seen in some trail projects that estimates using NMDOT pricing, seems to be not adequate for our projects. It was asked if we apply some factor to the various projects. We are doing enough work that we could develop our own data based on unit cost.

Staff: We have done enough trails work and Leroy should be able to give us more accurate figures than NMDOT for that work. On NMDOT roadwork it should be tight numbers. If the actual bids are coming in higher than the design consultant has put forward then we might be too small and NMDOT doing miles of road can get better prices.

Councilor Harris said, you are working streets and drainage on the maintenance side, and what do you think about NMDOT database pricing.

Mr. Catanach uses NMDOT for a base price, and they are consistent and fair with industry pricing. Basically what it tells us is when we have high quantity we can expect it to be lower and if your quantity is slow the price will be higher. It is a good guideline and tool to use.

Councilor Harris said that what Mr. Catanach described is the best way to address the databases.

Councilor Lindell: Will we see the design on this prior to the bid and will there be any neighborhood meeting prior to going out to bid and a presentation on the bid, this will be a sizable change.

Mr. Catanach answered yes to both of those questions.

Councilor Lindell: Sometimes we get these grants for improvement and we implement the improvement and the community don't really see those improvements. Councilor Lindell would like to be assured that they are invited to any neighborhood meetings.

Councilor Villarreal: We want to make sure that we know the process and to assure that we know the issues. We know that the pedestrian crossing is a main concern and they keep saying that safety is a focus and Councilor Villarreal wants to make sure that safety crossings do fall under the category of importance. That is a bigger issue on this road.

Mr. Catanach: It is included.

Councilor Villarreal wants to make sure that all neighborhood meetings are publicized well and a larger circle included on inviting the neighbors to these meetings. Councilor Villarreal would also like attention to be given to the medians. Another concern at Guadalupe and Paseo de Peralta on pedestrian crossings, stressing that these are all important points that will come out during the neighborhood meetings and to include businesses. Councilor Villarreal asked; the kick off meeting was just for boards and agencies, is that what you typically do?

Mr. Catanach answered, that is correct and to the other question; we can make sure we do a wider circle to invite the neighbors to the meetings.

Councilor Villarreal highly emphasized the median designs. Concern is that they get complaints on Guadalupe St. and Paseo de Peralta on pedestrian crossings, that is a pretty active area. These are all important points that will come out during the outreach. We need to work with the company that is listening to those and the businesses when we do outreach.

Councilor Ives – Reference to documents pages 4 and 5 of 10 in the agreement and pages 12 and 13, it talks of ownership of documents and it says; tracing, drawings, estimates, field notes, investigations, etc. (in packet) I was not clear if it is the intent to secure the copyright and if so, the language is not adequate to do that and if we could ask staff to mark that language and follow up with Legal.

Mr. Catanach noted that it is standard language in the contract boilerplate and the intention is to assure at the end that we own what we paid for. Staff will follow up with Legal.

The Chair asked if staff can reach out on some of these questions before it goes to Council, staff agreed.

***Councilor Harris moved to approve Procurement and Professional Services Agreement in the amount of \$374,645.41 – Planning and Design for the Reconstruction of Guadalupe Street from Agua Fria to Paseo de Peralta, second by Councilor Lindell, motion carried by unanimous voice vote.***

9. Request for approval of procurement via HGAC Buy Price Agreement in the amount of \$348,732, Vactor Equipment; VAC-CON Inc.
10. Request for approval of State Price and Professional Services Agreement in the amount of \$400,000 – Asphalt Concrete Patch Material; GM Emulsions LLC
11. Request for approval of City of Santa Fe On-Call Agreement and State Price Agreement in the amount of \$2,358,946.21 – Pavement Maintenance Projects (Labor and materials, and asphalt concrete patch material) GM Emulsions LLC

Councilor Villarreal: There is a list of streets that was provided, (pg. 15), is this list compiled based on priority or alphabetically?

Mr. Catanach: The list is provided alphabetically and will be balanced by the districts. There is an initial list of work being done and a creation of continued work.

Councilor Villarreal: How will you prioritize this list?

Mr. Catanach stated that he tries to balance the work within the districts; these are the roads that are not in the very worse condition, they would need minimal maintenance, we want to preserve them as long as they can. If we find that the work is going to require more maintenance and repairs we then put it on a heightened list for repair.

Councilor Villarreal: You mentioned that those roads are too far-gone. Will there be a list of additional roads that need work?

Mr. Catanach: These are not the worse of the worse. We maintain a list of those roads that need to be paved right a way. Mr. Catanach said he does an evaluation and has a ranking system based on the conditions of the road. When funding becomes available that is when he prioritizes the list.

Councilor Villarreal was thankful for this information.

Councilor Harris: Addition to maintenance, the Gas Tax Fund is driving improvements to zero on Zia Road.

Mr. Catanach responded that this was correct; they utilized the balance of the Gas Tax Fund.

Councilor Harris said that the public should be reminded of that. Councilor Harris asked about the status of the valley gutter and the Zia Road project, and anticipated date when it would be completed.

Mr. Catanach said in talking with the contractor it would be late August or September and hopefully get started before the winter sets in.

Councilor Harris: In speaking with Mr. Thompson, we need to verify what are we going to do about the medians on Zia, does his plan anticipate irrigation and if it does do we have water out there; please coordinate with Parks and Rec.

Mr. Catanach confirmed that he had met with Mr. Thompson before the meeting and would follow up with this directive from Councilor Harris.

***Councilor Harris moved to approve request for City of Santa Fe On-Call Agreement and State Price Agreement in the amount of \$2,358,946.21 - Pavement Maintenance Projects (Labor and materials, and asphalt concrete patch material) GM Emulsions LLC, second by Councilor Lindell, motion carried by unanimous voice vote.***

12. Request for approval of Award Bid No. 17/32/B in the amount of \$516,011.50 - FY 2017/18 City-wide Water Utility Construction and Repair Contract - CIP #953; Sub-Surface contracting Inc.

Councilor Lindell: What type of work are we talking about and did we put this out for more than one bid?

Staff: Yes we did. We are talking about priority water main replacements that have broken one or multiple times, or lines that the material needs to be replaced or based on age and also emergency repairs and the contract covers both. This was put out to bid and there were four contractors who attended the pre-bid meeting, there was only one bid that was submitted. It wasn't a large contract and to have some of the necessary materials isn't possible for some of them.

Councilor Lindell: When I think of sub surface work I think of roadwork. Do they do the work or do they sub-contract it.

Staff stated that they have a contract with them to do their own work. They have multiple crews, utility crews, they do a fabulous job.

Councilor Lindell asked if they are all their crews.

Staff said yes and Councilor Lindell moved to approve.

***Councilor Lindell moved to approve Award Bid No. 17/32/B in the amount of \$516,011.50 - FY 2017/18 City-wide Water Utility Construction and Repair Contract – CIP #953; Sub-Surface contracting Inc., second by Councilor Ives, motion carried by unanimous voice vote.***

13. Request for approval of Amendments of Two (2) Professional Services Agreements in the total amount of \$205,000 – Provide Workforce Development Entrepreneurial Acceleration and other support for Business Development in Santa Fe; Youthworks; SCORE. – Matthew Brown

Councilor Villarreal: Last year there were certain benchmarks that this committee wanted to see from SCORE and they were going to provide demographic data and asked the committee members could see it, not now but in the near future. It was prioritizing certain populations in these trainings and what the demographics was of this last grant. Councilor Villarreal said that these are both great organizations and with great outreach, she would like to be assured that staff is holding these groups accountable. There was a commitment made last year to have a training in Spanish.

Mr. Brown responded, yes they did have the training in late June. It was a pilot program and advertised by word of mouth. A lot of the reason they advertise in that way was because they were concerned with the current atmosphere; that ICE could be there. It is a good pilot and a good training and they will continue to do this in the future. It was a small group but it went very well. They did a resource panel entirely in Spanish, all materials and the program was in Spanish. There was a good group who attended and the goal is to expand it for next year.

Councilor Villarreal stated that it may not have had many groups but when expanding next year they would get their grantee partners, not just the other entrepreneurs from economic development projects but also from other organizations. That will be a good way to continue to do outreach.

Mr. Brown stated that what they did was go down Airport Road to all of the businesses and delivered flyers. They reached out to SOMOS un Pueblo Unido, worked with Alejandra Seluja throughout their network. They did outreach to the south side as they had done through the planning initiative in

the past and they targeted strategically. They didn't use the media, they did more 1:1 marketing.

Councilor Villarreal asked Mr. Brown to provide a summary for last years result based on impact.

Mr. Brown confirmed that the final reports will come this month and shared with the committee.

The Chair asked the committee members if this information should be provided to the Council as they have requested it in the past.

Councilor Villarreal asked if there was a schedule for these PSAs before it goes to Council, a schedule was not in the packet.

Mr. Brown said that the SCORE report itself, they only have the fall information. The annual report should be received this week. Youthworks report was received this week. The rest of the reports are in and they have a schedule to report them to the Economic Development Department. Mr. Brown said that they could disseminate the reports this week if it was the wishes of the committee. Once reports are in they will be sent to the committee electronically. We can wait for approval of SCORE project until August if we need to in order to give them an opportunity to get their reports in.

Councilor Villarreal will wait until all reports are in as there are no timelines included in the packet before approving the amendment.

Mr. Brown: The timeline for YouthWorks needs immediate attention. That will delay them in implementing the work that they did. SCORE will be done in the fall, probably not until October. Youth Works report can go out this week.

***Councilor Villarreal moved to approve Amendment of the Professional Services Agreements in the total amount of \$205,000 – Provide Workforce Development Entrepreneurial Acceleration and other support for Business Development in Santa Fe for Youthworks; and to wait for SCORE until report is received, second by Councilor Lindell, motion carried by unanimous voice vote.***

***Friendly Amendment: If both reports are in, that approval be for both YouthWorks and SCORE prior to the Council Meeting.***

Councilor Ives asked if reports would be in before City Council on August 26<sup>th</sup>?

Staff: It is expected that they will be in.

14. Request for approval of a budget adjustment/increase in the Water Rights Development CIP Fund in the amount of \$132,809.
15. Request for approval of award of Bid No. '17/48/P in the amount of \$157,073.28 – provide consultant services for the Paseo Real Wastewater Treatment Plan Belt Filter Press #3; HDR Engineering, Inc.

Councilor Lindell: Where is Paseo Real Wastewater Treatment?

Staff: 73 Paseo Real, apology for omitting.

***Councilor Lindell moved to approve the award of Bid No. '17/48/P in the amount of \$157,073.28 – provide consultant services for the Paseo Real Wastewater Treatment Plan Belt Filter Press #3; HDR Engineering, Inc., second by Councilor Harris, motion carried by unanimous voice vote.***

16. Request for approval of a Professional Services Agreement through a Cooperative Education Services Agreement in the amount of \$184,438.92 - CRWTP Security System Improvements Phase III, Intraworks, Inc.
17. Request for approval of a Professional Service Agreement in the amount of \$221,997 to complete Phase I engineering and permitting/preliminary design evaluation for Reuse Pipeline from Paseo Real WWTP to the Rio Grande based on a Cooperative Procurement via an Albuquerque Bernalillo County Water Authority on-call engineering contract for water and wastewater services; Carollo Engineers.

Councilor Harris: This is the start of a major effort to fully access all of our water rights under the San Juan Chama with this reused pipeline. What percentage of San Juan Chama water are we using now. If this was to be fully implemented perhaps we could get to 100%, where are we now without this reuse?

William Schneider: We have diverted approximately 80% annually of our San Juan Chama water. We do have the ability to store the residual water reserve in Abiqui through a contract they have with the authority.

Councilor Harris: Therefore, the reuse line should allow us to access on a continual basis with a full compliment without having to go in to Abiqui.

Mr. Schneider: That certainly is one strategy, yes.

Councilor Harris: We most likely would use the same line in the corridor that we have for the wells.

Mr. Schneider: That is why this project has been so advantageous, we were highly ranked. In fact this project was solicited and sent to Congress and authorized to be funded under the Title XVI program. The fact that we are leveraging assets of the city that were invested in the BDD, we essentially use the intake structure, piping infrastructure, the booster pumps, everything to bring that water up to the city and distribute it through our existing system.

Councilor Harris, what do you think the timeline is.

Mr. Schneider: Ideally we would like to have an Engineer design in one year and then initiate construction presuming we could get a matching funding or a 25% allotment from the Federal Government.

Councilor Harris: What is the estimated cost?

Mr. Schneider: The total is approximately \$18.6 million dollars.

***Councilor Harris moved to approve Professional Service Agreement in the amount of \$221,997 to complete Phase I engineering and permitting/preliminary design evaluation for Reuse Pipeline from Paseo Real WWTP to the Rio Grande based on a Cooperative Procurement via an Albuquerque Bernalillo County Water Authority on-call engineering contract for water and wastewater services; Carollo Engineers, second by Councilor Ives, motion carried by unanimous voice vote.***

18. Request for approval of Sole Source and Professional Services Agreement in the amount of \$71,280 – Payment of hire/pay employee to perform functions of a Domestic Violence & Sexual Assault Coordinator and assist with the U-Visa Certification Process when necessary; Solace Crisis Treatment Center.

Councilor Harris: There are two parts to this request, the on-going relationship with the domestic violence and sexual assault coordinator. Is it true that the new element is the UVisa certification:

Ms. Jimenez stated that it was added this year.

Councilor Harris stated that the memo didn't have a lot of information. Perhaps before you go to Council you may want to provide more information on how UVisa is going to work. Councilor Harris has had a conversation in the past with Deputy Chief Salbidrez who has been tasked to take the lead on this. Councilor Harris asked Deputy Chief to explain it a little bit more.

Deputy Chief Salbidrez: What the contract expands on is giving me a second set of eyes. The UVisa came to be what it is encouraging victims of domestic violence to report it to police without fear of being deported. This expanded larger in to more than just domestic violence incidences. When they started to get a large amount, there was a little bit of a stretch. There was a concern to have an additional set of eyes in the review. For example if he did the review of the UVisa application and it resulted in a denial Deputy Chief Salbidrez and Ms. Lewis from SOLACE would review and discuss the reasons why he would not certify the UVisa application. Ms. Lewis would then provide her input if she felt the action was correct or not and provide guidance on what Deputy Chief Salbidrez should look at additionally. This is the reason the wording is in the contract to help additionally.

Councilor Harris said he believes this is a good move and provides another layer of review. Everything Councilor Harris has heard about SOLACE is positive and they have performed well in the past.

***Councilor Harris moved to approve Sole Source and Professional Services Agreement in the amount of \$71,280 – Payment of hire/pay employee to perform functions of a Domestic Violence & Sexual Assault Coordinator and assist with the U-Visa Certification Process when necessary; Solace Crisis Treatment Center, second by Councilor Villarreal, motion carried by unanimous voice vote.***

19. Request for approval of ratification of Purchase Order No. 16175967 in the amount of \$112,909.18 – sewage services near Christus St. Vincent Hospital for the WWMD.

Councilor Harris: Mr. Jones, the memo has an amount of \$75,709 and the invoice is for the same amount. The cover and action sheer in other areas lists \$112,909.18. Why this difference?

Mr. Jones said that the cleanup total for the project was \$112,909.18 so we are moving forward with the ratification of the project. As we did the review we found Greenwich Construction being a portion of that was paid \$75,709 and this is the reason for the request for ratification. The other \$38,000 was for ServiceMaster's, which was under the \$50,000. The memo in the packet an ratification is for Greenwich Construction is for \$75,709.

Councilor Harris said that in the future staff should reference in a clear manner noting that the balance was under the \$50,000. Next question is; due to the nature of the material that created the blockage and the cost to the city in the amount of \$113,000, will the city go back to Christus St. Vincent's to discuss this?

Mr. Jones said that there was a preliminary investigation that was done. The material that was found in the blockage was deemed biohazard waste. There were conversations with Christus St. Vincent's but along with other medical facilities in that area, Christus is not the only medical facility in that region. Staff noted that they will continue to work with Risk on the steps they take moving forward. The results of the investigation up to now continues to determine where the line damage came from?

Councilor Harris: Verified that the city is good at running cameras through the lines, had this area been camera. It seems that it would not have been which resulted in this line damage.

Mr. Jones: There is a rotation that goes through the service areas, this line was serviced in a 5-year rotation. Mr. Jones informed the committee that because of the nature of this incident this has been elevated to what they reference as the hot spot where it is identified separate on the GIS list to provide additional maintenance and service to this area.

***Councilor Harris moved to approve ratification of Purchase Order No. 16175967 in the amount of \$112,909.18 – sewage services near Christus St. Vincent Hospital for the WWMD, second by Councilor Lindell, motion carried by unanimous voice vote.***

Councilor Ives shared the Councilors concern with the quantity of materials, medical waste and other debris showing that sensitive materials are being disposed of in a highly active way. Councilor Ives stated that he could not imagine that hospitals or doctors would engage in this activity. He is sorry to say that it said not to know the source. It would be fascinating to find out who is doing this and follow up with some type of education program. In closing Councilor Ives asked if anything can be done to determine what happened to learn from this.

20. Request for approval of Legal Services Agreement Amendment No. 2 in the amount of \$50,000 – work on three issues before the New Mexico Office of State Engineer (OSE): 1) the Northwest Well Application, 2) Return flow/discharge credit application, 3) groundwater storage and recovery permit; Stein & Brockman, LLC.
21. Request for approval of procurement via National Joint Powers Alliance Cooperative Purchasing Agreement in the amount of \$237,342.70, vaulted toilets; CXT Inc.

Councilor Villarreal asked Mr. Thompson to clarify the funding source and the location of the portable toilets.

Richard Thompson, they have portable toilets in 5 parks and will have in an additional 7 parks and Marcy Park as well.

Councilor Villarreal asked about her concern; are they maintained and serviced by the company. The company's placed them and maintained them.

Mr. Richard Thompson stated that they will still use the services of the company as they did in the past for the vaulted toilets. The city will be responsible for swamping the toilets on a regular basis, there is a lot of time spent cleaning what we have now and do not expect an increase in staffing. The porta poddies' are always in terrible condition, hard to maintain and when they call a contractor in they pass that cost to the city. He reiterated they don't anticipate any greater burden to accomplish this task.

Councilor asked about the construction of these porta poddies".

Mr. Thompson said they are pre-stressed concrete dropped in to the ground.

Councilor Lindell shared her concerns, when you put an installation like this, people go in to these, whether they shower or use inappropriately, it is hard to monitor. She asked if staff looked in to a product called Portland blue? She has read a lot of articles that showed a product used in Portland. Why is CXT the preferable choice?

Mr. Thompson: To address the questions, there will be no water to these toilets so there won't be showering, they will be closed automatically and checked by the security service. Portland Lieu are normally street installations and not adequate for park patronage. We are anticipating replacing the portable toilets with vaulted toilets and they are larger than the portable lieus and he believes they are going to be long lasting and easier to maintain.

Councilor Lindell stated that they are a lot more money. She continues to have a question regarding the Portland Lieus, knowing this is just a brand. Why would they not be appropriate for a park, we don't want people hanging out in bathrooms.

Mr. Thompson agreed, they do not want people hanging out in bathrooms. This is a turn key contract from design to permit, fabrication, installation and at that point there would be no further cost other than weekly maintenance.

Councilor Lindell continues to have concerns that people can go in and be disappeared for as long as they want to be disappeared. It looks like an attractive nuisance. It may need to be discussed more in City Council.

Chair stated his concern echoing Councilor Lindell and asked Mr. Thompson if he has considered the nuisance. It has been found that some people have gone to the extent of living in them. It costs a lot of money to maintain.

Mr. Thompson confirmed that they have researched those concerns. We have portable toilets that they have found tipped over and in bad condition he understands that we have misbehavior in parks. This permanent installation will be easier to maintain. If someone went in to a portalet right now and locked him or herself in they could stay there until someone convinced them to come out. Mr. Thompson assured the committee that they will address how they would handle that issue.

Councilor Ives: Had a conference with the new GM at La Fonda as their bathrooms are used as public bathrooms, and asked the City Manager to look at bathroom facilities for the downtown area. Councilor Ives would like to have the Finance Director bring it up with the City Manager about bathrooms in the downtown area. He shared his appreciation to Mr. Thompson for his researching the parks and would like to see similar attention to downtown. Councilor Ives offered to introduce Mr. Thompson to the new General Manager at La Fonda, Mr. Rik Blyth.

Councilor Harris stated his support, this is a step up from what has been provided in the past and there are people who will abuse them, but he is more concerned about the people who will use them properly, the patrons in 5 regional parks who will respect them. We need to maintain and keep them secure. Councilor Harris noted that he was quoted in the newspaper about the Franklin Miles Park and in that instance it was regarding litter. Councilor Harris made reference that these seem to be the same ones used by the Forest Service.

Mr. Thompson stated that these are the installation of choice for the Federal Government across the United States. As to the maintenance of the toilets the city does have two power washers and this year they updated the power washer to removal of the water, they capture all the water that is sprayed down in to a separate tank that can be moved off site to dispose of. They do, anticipate some of these challenges and it will be more amenable to the visiting public than the portalets.

***Councilor Harris moved to approve the procurement via National Joint Powers Alliance Cooperative Purchasing Agreement in the amount of \$237,342.70, vaulted toilets; CXT Inc., second by Councilor Ives, motion carried by unanimous voice vote.***

The Chair asked if we are we getting money from the state.

Mr. Thompson said that right now they have a \$50,000 a year contract for portalets amenable to the visiting public. For a 4-year period that is \$220,000. They expect to capitalize these buildings in 6-years. Maintenance portion he repeated that they spend a lot of administrative and on the ground maintenance time with the present installations and they still can't seem to make the people happy.

The Chair also commented that they have depended on the reliability of the contracted company's in the past and now having the city do the maintenance they should see a big improvement.

The Chair asked about the funding sources.

Mr. Thompson stated the severance tax fund approved by this committee and the governing body last July.

Chair asked if this was something initiated by the city or the state.

Mr. Thompson stated that it was \$180,000 from the severance tax fund from the legislature to improve transit facilities and add amenities to parks. The city chose to replace the trashcans and blue barrels. Mr. Chapman and Mr. Pino asked Mr. Thompson to sit with Mr. Martinez from Santa Fe Trails and they discussed how they would propose to spend the money and they then brought it to the Governing Body.

## 22. Request for approval of Meow Wolf Local Economic Development Project.

- a) An Ordinance relating to the City of Santa Fe Economic Development Plan Ordinance, Article 11-11 SFCC 1987; approving and adopting a local economic development project participation agreement between the City of Santa Fe and Meow Wolf Inc., for acquisition and expansion of a new Production and Cultural Facility, a local economic development project.
  - i. Request for approval of local economic development project participation agreement between the city of Santa Fe and Meow Wolf for expansion of its facilities and to improve or construct infrastructure necessary to the facility located at 2600 Camino Estrada, Santa Fe, NM
- b) Request for approval of Intergovernmental Agreement between the NM Economic Development Department and the City of Sana Fe, NM for the purpose of facilitation and disbursement of funds for the Meow Wolf Economic Development project.
- c) Request for approval of Budget Adjustment in the amount of \$550,000.

***The Chair noted that they would address a, b, c and i, with one motion to approve.***

Councilor Villarreal stated that a lot of the questions that she had she has discussed with staff and stated that this is an important project that will define how Meow Wolf works with community and also legacy throughout the city. Councilor Villarreal felt that staff has been very thorough and wished the public would understand the breakdown as set forth because there is a considerable amount that Meow Wolf will be putting in.

Mr. Fabian Trujillo stated they are putting in - \$4,000,000 or more.

Councilor Villarreal stated that the city will match with state LEDA funds, which are very stringent. After reading the agreement and how they structure it, it is vigorous. Councilor asked Fabian to reiterate the pieces of how the funding will be allocated for a year based on the number of jobs and also explain how the claw back clause works in the agreement.

Mr. Trujillo informed the committee that they way it would be split out is in the FIR and the Agreement for their reference.

1<sup>st</sup> year – Job Creation and Construction and for the public information, all of these project will have participation agreements. There will be a letter of agreement and letter of credit in the bank. The first year there will be \$550,000 from the state and \$75,000 from the city, total of \$625,000. In order to qualify to disburse that amount they need to acquire the building, which is land, building and infrastructure and required to create 50 jobs. The next portion of the next fiscal year the city will be investing \$50,000 and \$150,000 from the state and \$50,000 from the city and required to create and additional 75 jobs maintaining the 50 jobs they created. Reference to Attachment B in the packet indicates the direction to complete the first phase of tenant agreements. The following year they will be required to add another 75 jobs – total head count of 142 jobs in year 3 and for that they will receive \$50,000 from the City of Santa Fe and \$42,500 from the Economic Development department from the State of NM. 4<sup>th</sup> year they will be required to add another 75 jobs bringing them up to 217 jobs, 5<sup>th</sup> year (2020) they will be required if they decide to create another 50 jobs, that will bring them up to 300 jobs, they will get a bonus of \$2,000 per job, which is \$100,000 investment. The city will invest with them \$25,000 and the state will invest \$7,500 and there will be a formal review of their deliverables before the last amount of their money will be invested in their project.

Mr. Trujillo: There is one clarification that in year 2 it is 75 jobs bringing the total to 200 and in year four it is 50 additional jobs bringing the total to 250.

Councilor Villarreal stated that it is structured in a way that benchmarks have to be met before another allocation of funding will be given. It is a pretty rigorous process and will there be quarterly reports.

Mr. Trujillo: Yes, there are quarterly reports that they are required to provide quarterly once the governing body approves the project.

Councilor Villarreal: In the agreement it talks about local hires, can you reiterate what local is.

Mr. Trujillo: These jobs are more stringent than in the fact that they are JTIP jobs which means that they are economic based jobs. They are higher skilled, the average wage is going to be \$46,000 a year and because it is a JTIP job we have in the contract that they will have to do the hiring like the JTIP requirements. What that means is that they are considered local if they are New Mexicans. One item to stress, and staff welcome the committee members to talk to the CEO, 80% of their current staff are local from New Mexico. That is what they are doing currently. They have over 100 people working at the House of Eternal Return, they are performing and exceeding expectations on a daily and quarterly basis. The expectations are for them to continue to do that. They are on the right track to accelerate their growth. This is one of the reasons we would like them here so they can be anchored in Santa Fe and create growth/career opportunities for our children and grand children locals moving forward.

Councilor Villarreal asked Fabian to explain how the claw back works.

Mr. Trujillo: There are several ways the Claw back works. If Meow Wolf were to go to out of business for whatever reason within the first 3 years, both the city and the state could claw back the funding. That would be 100% and that is why we have a security irrevocable letter of credit. What the city would do before considering a claw back is to review the cure period in the contract which basically means if they are not performing according to what the deliverables or benchmarks are, we would talk with them and figure out a way to get them on track. If we had to, we would go back and restructure the contract. The first three years we can go back and claw back 100% if they are not meeting their benchmarks. It drops down to 50% for years four and five. This is a very low risk to no risk project. 100% of the investment can be claw back for the city and the state. This is a very safe investment for the City of Santa Fe – Economic Development and the State of New Mexico.

Councilor Villarreal: Thank you for this information as it will be helpful for the public's understanding. Are we confident that the steps and benchmarks will be met and that our city and state partners will manage

the review? Councilor Villarreal said thank you, she does understand the full breakdown for budget for infrastructure and construction and money for other areas. It was helpful to get a full understanding, they are going towards what is required by LIDA, it is very specific.

Mr. Trujillo: LIDA is for land, building and infrastructure. Any equipment that has to be there, you are correct Councilor, has to be tied or bolted to the facility. It cannot be moved, it cannot be used for cars, forklifts or any rolling stock, or any type of equipment that can leave the facility. It has to be part of the infrastructure; it can also be used for basic infrastructure like natural gas, broadband, anything that brings something to the facility to make it operate smoothly.

Councilor Villarreal said this will be unique as we don't have any manufacturing in the City of Santa Fe so this will be new for us.

Bryan Easton, Region Rep., State of New Mexico Economic Development Department

In answer to your question, when it goes to the JTIP criteria; we look at jobs that are creating some sort of product that will be sent out throughout the state across neighboring states whether it is Las Vegas, wherever Meow Wolf decides to expand. That ties directly into the EBase that Fabian was talking about. This is the educational component of educating the people on LEDA where we are bringing outside dollars from outside the state back in to the local economy instead of recycling the same money over and over again. For the land, building and infrastructure the best way to look at is bricks and mortar.

Councilor Villarreal is confident about this project. She recommended that they keep messaging what they are going to do and stress that it is about job creation.

The Chair asked who is the lead agency, it is the state? The Chair said he knows there are LEDA rules that have to be followed. What is the first point of contact.

Mr. Easton responded that the fiscal agent is the City of Santa Fe which is Fabian working as a partnership to pass the PPA which is the Public Private Agreement of the IGA which is the conduit that allows the state to transfer those funds to the business.

Chair: Do we have in our process that we would not give out city local dollars until we get funding from the various agreements?

Mr. Trujillo said, yes we do in all of our processes; we don't disburse any of the funds until we receive the statement.

The Chair said he knows that there is a requirement for quarterly reports, is that all state mandated.

Mr. Trujillo: It is state mandated but it is something that we agree with in this project. We have reporting requirements for all the project participation agreements, Second Street Brewery, Santa Fe Spirit, Wildflower; they are all required to submit the same documents. We want the frequency to increase in this particular project because of the high profile of the project.

Chair Carmichael Dominguez said, let's step back a little, you are saying we want the frequency to increase, does that mean that we are asking for more reporting from this applicant than others

Mr. Easton said that they have taken it upon themselves statewide to shifting from semi-annual to quarterly reporting. Not only does it allow them to detect any problems early enough to bring it to their attention but it strengthens the communications with the fiscal agent.

The Chair asked if the city wanted monthly reports could they ask?

Mr. Easton said you could ask but it wouldn't be realistic. There is a document that needs to be filed with the Department of Work Force Solution which is filed quarterly and establishes the head count.

The Chair said that it still didn't mean that the city couldn't ask for reports or information in the interim.

Mr. Easton said that is correct, but what has been noticed in these projects is that it does create a burden on the company. In a sense we are asking for too much in a short time frame and sometimes things change very rapidly. In other cases we have seen the LEDA disbursements with job creation.

The Chair asked Mr. Thompson and Mr. Trujillo, "Do we have the capacity to manage this?"

Mr. Thompson assured the Chair and the committee that they can handle it in their department.

Mr. Easton: One point of clarification, not only does the city review those documents but the state does as well; the quarterly reports. Whatever the city reviews the state does as well.

The Chair asked if Claw back is required by the state?

Mr. Easton said yes, it is in the constitution and we are statutorily obligated.

The Chair stated, nonetheless, are there opportunities for the city to go as a home rule city.

Mr. Easton: When it comes to securing ties to the funds, no, the total amount of money that is being allotted to the company, LEDA funds are fully secured, the city portion as well as the state. We will not do a project that doesn't secure the ties.

Chair: A lot of what we are doing; is state driven or better said is involved and we need to be aware of the fact that there are state mandates and requirements that we have and know what we can and can't do. It has to be acknowledged that the state is a significant partner. Administrations change at the state level as they do in the city level, this is for five years, and there could be changes in 2 or 3 years from administrations.

Mr. Easton: The project will live on, it is adopted by ordinance and it can only be closed by ordinance by the company reaching its terms and the length of the agreement. By no means can a new agency director step in and say, "this project is null and void".

The Chair asked how was that memorialized, is that just in the agreement?

Mr. Easton confirmed yes, it is done through the agreement and the ordinance that has passed.

Councilor Harris: Note for the record, when the agenda came out for this meeting, on July 12<sup>th</sup> the Economic Development Advisory Committee approved this unanimously. In terms of the Economic Development Division as headed by Mr. Brown and Fabian, Councilor Harris hopes to see a lot come out of this division with the approval of 2 FTEs and to get the support needed.

Councilor Harris noted for the record that the document received earlier this evening signed by pretty much all of our State Representatives and Senatorial level, in speaking with Representative Trujillo earlier; she stated that the only reasons Senator Wirth had to abstain was due to his investment, it is a clear statement of our legislators support for this effort.

Councilor Harris referred to a report from the League of Women Voters and how it was reported in the New Mexican in talking about uneven returns. A large part of this story was that people did not understand the importance of the earlier investment in clean air systems. And what that

meant in terms of the money that they put in which was over \$1 million dollars and their obligations. They paid of the loan with interest and invested another \$\_\_\_\_\_. Councilor Harris said that he hasn't talked to the principles of Meow Wolf. If you look around I don't know of any other building similar to this. We talk about shovel ready but this is more building ready. Councilor Harris said he supports Meow Wolf moving forward here in Santa Fe.

***Councilor Harris moved to approve Request for approval of Meow Wolf Local Economic Development Project to include #22 a,b,c and i, second by Councilor Lindell, motion carried by unanimous voice vote.***

Councilor Ives: Question directed to Fabian, the budget request reflects LEDA funds coming from the state, \$550,000 with a \$50,000 match from the city isn't in the adjustment, so there is no adjustment needed.

Mr. Fabian Trujillo: That is correct, it is already included in the budget.

***Councilor Harris moved to amend the agenda to allow #28 to be heard, second by Councilor Ives, motion carried by unanimous voice vote.***

***Councilor Villarreal moved to amend the agenda and hear #27 before #28, second by Councilor Ives, motion carried by unanimous voice vote.***

23. Request for approval of an Ordinance authorizing the sale of 1,491 sq. ft., of real property consisting of a portion of the former Bower Street Right-of-way adjacent to 322 Paseo de Peralta and described as "Parcel 1" prepared by Sierra land Surveying, Inc., David E. Cooper, NMPS, No. 9052, dated February 15, 2017, lying and being situated within the City and County of Santa Fe, New Mexico.
24. Request for approval of an Ordinance amending subsection 14-6.3 (B)(2)(C) SFCC 1987 to regulate parking or storage of specified noncommercial vehicles within residentially zoned districts.
25. Request for approval of a Resolution of the fourth quarter (year-end) budget adjustments for Fiscal Year 2016/2017, and accompanying quarterly report and associated forms/schedules required for submittal to the New Mexico Department of Finance and Administration/Local Government Division (DFA/LGD) for the third quarter of fiscal year 2016/17.  
Andy Hopkins

Councilor Harris stated he understands the importance and most of the actions approved prior by the council. There is a lot here and I don't know to what degree we need to get into all the details. He asked what is the logic in

transfer in and transfer out. Question directed to Mr. Johnson; are you making the decisions on the transfer in and transfer out, how are those decisions made.

Mr. Johnson responded that all the transfer in and transfers out decisions are made under the budget authority as the rest of the budget via the approval of the governing body at one point or another. On the transfer in and out it is simply a requirement of fund accounting. There is no other way to move funds from one fund to another without having the initial expenditure transfer in and out. To give a high level view on this particular quarterly report, it is a little bit different in a couple of ways. First they are required to mention all budget adjustments coming through for approval, in the instance of the first number of pages what you are seeing under reallocation from the December meeting with regards to the Parks Bonds was a transaction that was discussed at length on every allocation. Simply somehow it had not posted on the quarterly report so what you are seeing here is part of our closing process of what we find at the end of the year that have not been adjusted or posted or as previously understood to be adjusted or did not get executed at the time that the budget amendment came through or there were technical issues with the accounting system. That is a mystery in itself as to why it did not get posted when it was originally approved. The other thing that you see is what the Finance Department has been doing when he was budget director and since he became Finance Director is that any item in which specific action has been taken to council and the budget adjustment was not included, he gives staff direction to include it in the quarterly report specifically called out so you don't have to bring that item home by itself and take a place on the agenda but we still bring it back with transparency and to be compliant. Lastly one of the things that you see on this report is closing out the year is that we are looking for funds that have not had any activity, funds that may be smaller and we can transfer, those that may be smaller and have deficits so we can be compliant with DFA and ultimately this process is driven by being compliant with DFA.

Councilor Harris did comment that there was a lot included in this report.

The Chair said a lot of this is capital. In the past we would have about this same size but it was most general fund.

Mr. Hopkins stated that in most cases there is always a mix of operating capital under quarterly reports. One of the reasons it is larger than the normal quarterly is because this is covering two quarters. The third quarter due to divided process and issues they were having with the system at the time, he did not get enough time to the third quarterly due to the deadline for the budget process. This is all geared towards DFA reporting. What he did produce was a third quarter report for DFA but it did not include any budget

changes. As far as DFA is concerned, 3<sup>rd</sup> and 4<sup>th</sup> quarter did happen which was acceptable to DFA.

Mr. Johnson did add that the only report required is 4<sup>th</sup> quarter for DFA. Local governments skip 1, 2 and 3 and file the 4<sup>th</sup> quarter.

Councilor Harris said he would have 1:1 discussion with Mr. Hopkins and Mr. Johnson to really understand this. In looking at the Capital project breakdowns – Parks and Recreation, if I read this correctly we put 44% of the allocated money in service, is that a fair interpretation. Equipment and buildings was 38%. This is part of the funds breakdown.

The Chair asked where Councilor Harris was reading from.

Councilor Harris said that this is in E under Capital Projects. He also stated that he printed his documents because they are very hard to see on the screen and asked staff to have printed copies for the Finance Committee members.

Councilor Ives said he only received A, B C D.

The Chair said, we don't need to re-debate the budget, I think it is important to understand the budget and know what we should expect from these quarterly reports.

Councilor Harris understands the importance, and the difficulty of how to absorb this, what do you want from us. I have a lot of faith in the Finance Department. Do you just want an acknowledgement and maybe have questions later on.

Mr. Johnson said that they want approval to submit to the DFA. We can drop back as staff and discuss what is our objective in presenting the quarterly report to remain compliant. This is one of those processes, from my view, in executive management in our relationship with the state that what we have to that adds little value to our operation in the finance department and we have to do it.

The Chair said it is important to get this information and suggested possibly a summary sheet in the future instead of each of these projects. In the past we would get this amount of paper and more in general fund. Now we see more capital, it is up to the committee to decide what you want from staff.

Mr. Hopkins did state that this was unusually large in the capital projects area as they had a large reallocation of 2008 bond funding. These were unusual circumstances every quarterly that he has ever done has had capital or general fund. There are more capital projects here as they had a major

reallocation of funding. Mr. Hopkins made reference to Section A 3 and 4 of 7 and particularly 5 of 7, adjustments are \$1. State law requires that if you change even \$1 in a fund, even a Penney it has to be approved by the governing body and DFA. Unfortunately we could not collapse projects it because we would not be in compliance with DFA requirements. In many extents, the law creates the format, much of the detail is inevitable so we can not change or we would not be in compliance with state law. He is confident that not one amount is off.

Councilor Villarreal: This is tedious. Budget amendments were not previously approved, can you tell me why.

Mr. Hopkins: Many of these adjustments are under \$50,000 and under the preview of the Finance Director if under \$5,000 and over \$50,000 for City Manager approval. There are some over \$50,000, those are some that you have already seen and approved or that there is a technical change with a large amount of money with no policy change. Historical was that at one time they would send small adjustments say for \$1000 and had no policy changes so staff was directed not to take these to the Finance Committee or to Council. The approvals were and are made in total. There are times items cannot be placed on the agenda in order to get this DFA document approved, it is a simple matter of time.

Councilor Villarreal: The larger items impact the distribution. The only item I didn't understand was on the 1<sup>st</sup> page about the 50% lodgers tax – it is also on 2128 close out of way binding signage, why is it in there twice,

Mr. Hopkins stated that if you read further it says “reverting balance to the lodger’s tax fund”. It actually affects both fund, it takes the remaining unused funds out of one closed project and moving it into original funding source, which was the Marketing Lodgers Tax Fund. That results in a budget amendment to both funds.

Councilor Villarreal asked if there is an actual way binding signage before we hear the adjustments through the budget hearings.

Mr. Hopkins said yes, it is Fund 2128 in the city financial system.

Councilor Villarreal asked if it didn't have any money was the \$170,000 put in?

Mr. Hopkins said no, this was the money left over in appropriations from previous year's which was used t in the downtown area for way finding signage. If you look at the corner of Marcy/Lincoln the signage refers to the Convention Center, which is a good example of signage. Left over money is \$170,930.

Councilor Villarreal said what they had appropriated through Lodger's Tax was another \$125,000 that is not in here.

Mr. Thompson said that is current year budget.

Councilor Villarreal said they now have more, the \$170,000 and the \$125,000.

Mr. Hopkins said not exactly and clarified that this is changing a way of funding this project. We will continue to do so as it is in this year's budget. As part of the drive to simplify the budget it was determined there did not have to be a separate fund for this allocation. If you continue to read on you will see the language of close out fund and revert balance to such and such a fund. We are trying to simplify the financial process so we don't have these small amounts of money in different allocations.

Councilor Villarreal said in the description of revert funding it still says Marketing and Lodger's Tax of \$170,000 for Way Finding Signage.

Mr. Hopkins – That is money going in to that fund that was left from a project allocation to that other fund doesn't need to sit in that field, now it won't be specified for Way Finding, it will go to 50% Marketing Lodger's Tax Fund.

Mr. Thompson clarified that the money allocated for way finding signs will go in to way finding signs, the money that is leading this whole fund that had no activity will go in to the fund balance in cash and not be budgeted until this body allocates funding somewhere else.

Councilor Villarreal expressed her thanks for this explanation.

Mr. Thompson said, unfortunately in this case and he would need to do some research if was originally Lodgers Tax money it would have to be used for that purpose.

Councilor Villarreal said it would have to be used for something from that origin.

Mr. Hopkins said that in the future they may want to use some of this money for way finding signs or based on Mr. Randy Randall's recommendation put this money in to advertising, one time funding or identify a different uses of funding. We need to keep in mind it would be for one time use.

Councilor Lindell: On this specific topic, she talked to a man who told her that there was a MOU leveraging funding by city funds for way finding. We need to find that MOU and find out where it got stalled out. His name was Tom McGuire and he is with the New Mexico Arts Commission.

The Chair asked Mr. Thompson to follow up on this.

Councilor Ives: In the packet there is a caption relating to the 3<sup>rd</sup> quarter budget adjustment with no wording related to 4<sup>th</sup> quarter. We should correct that. The other question is related to the Annual Audit which calls out the fact that in essence that we have not timely made or approved budget adjustments. We find small finding, are we within time frame so we can anticipate that won't happen this year.

Mr. Johnson: That is one of the goals of this process. Whether or not amongst the 600 funds we caught them all, it remains to be seen. We use this process for part of our quality control to prevent findings.

Mr. Johnson: Title is confusing but it does address 4<sup>th</sup> quarter on the first line. And 3<sup>rd</sup> quarter on 4<sup>th</sup> line and I can see the need for a conjunction there to make it more clear.

***Councilor Ives moved to approve a Resolution of the fourth quarter (year-end) budget adjustments for Fiscal Year 2016/2017, and accompanying quarterly report and associated forms/schedules required for submittal to the New Mexico Department of Finance and Administration/Local Government Division (DFA/LGD) for the third quarter of fiscal year 2016/17, second by Councilor Lindell, motion carried by unanimous voice vote.***

The Chair and committee expressed their thank you to staff for all of the hard work

26. Request for approval of an Ordinance repealing section 25-11 relating to the Water Conservation Credit Program.
27. Request for approval of a Resolution granting provisional authority to the City Manager to approve grants with time sensitive deadlines, and directing the City Manager to submit the grant to the Governing Body for ratification at the earliest regularly scheduled City Council meeting.

Councilor Villarreal: General Resolution talking about provisions for grants that have time sensitive timelines and we have a resolution in place. Recommendation is to have the Resolution go to Public Utilities first, 8/2/17, which would mean City Council for the same resolution would come 8/9/17. It is important to adjust the schedule to assure that this gets heard at Public Utilities because it is germane as to what has already passed in a resolution.

***Councilor Villarreal moved to have the Resolution go to Public Utilities first on 8/2/17, to City Council on 8/9/17 for the same resolution. It is important to adjust the schedule to assure that this gets heard at Public Utilities because , it is germane as to what has already passed in a resolution, second by Councilor Lindell, motion carried by unanimous voice vote.***

28. Request for approval of a Resolution directing the City Manager to identify potential funding sources to support the work of industry stakeholders to develop the "Santa Fe Network TV".

Councilor Harris stated that he wanted to start by correcting the record – the listing under committee review. It is true that on June 14<sup>th</sup> the EADC did not make a recommendation on this particular resolution, they did not have adequate information and subsequently it was postponed. We asked Mr. Brown and Santa Fe Network TV to make a presentation last Wednesday which was very detailed. The EADC unanimously approved this resolution. Therefore, Councilor Harris wanted to start by correcting the record and also wanted to say that he has also reviewed the minutes from EADC which he received this same date. Dr. Bustamante made a motion that essentially was an amendment. Councilor Harris proceeded to propose that they have an Amended Resolution. The title would say: *A resolution approving the allocation of the identified funding sources.*

You probably all noticed that there was a contradiction; the narrative of the resolution says that, ask the City Manager to identify but then the funding sources are identified. Councilor Harris received the statement from Mr. Randall, from Lodger's Tax and also from Mr. Trujillo. Basically that motion at EASC was approved with the alternate language. Councilor Harris said by the time it goes to the Governing Body they will have an amended document.

The Chair asked for Councilor Ives help as the Parliamentarian, is it a change to the title as this is giving the funding sources. Question is because it could complicate things.

Councilor Harris said this is why he brought forth this change in the language. A similar phrase on the 2<sup>nd</sup> page that could say, Now Therefore Be It Resolved by the Governing Body of the city of Santa Fe, approves the allocation of the Economic Development funds. Councilor Harris said that with his thought of the money in the FIR that the resolution should direct that vs. directing it through the City Manager.

Councilor Ives: There is difference between looking for funding and allocating funding. It wouldn't be unreasonable to adopt the amendment as proposed and have it come to Public Works next Monday before it goes to City Council to correct the caption.

The Chair asked Councilor Harris, "are those the only funding sources that we will be using, the \$25,000 from Lodger's tax and \$20,000 from Economic Development.

Councilor Harris said yes:

Councilor Villarreal: Mr. Chair is you referring to the outreach.

Chair: Are we being too narrow, do we want them to have other funding sources. Reason I ask that is to do what they are asking for in the resolution, you should to be using staff from other departments and I want to be sure this is permissible. Or can we only use money for certain things because it isn't related to this and I ask this as a word of caution.

Councilor Harris: I am not quite following the notion of staff from other departments, where does that come in?

Chair: To capitalize on both global (read from information in packet).

Councilor Harris: This is the objective of Media Santa Fe. They had a kick-off meeting that was very well attended. These are money to help them get out the gate, and this is the work that they are anticipating doing.

The Chair said, I don't know who "they are?" What is the relationship? Is there a formal relationship, I want to understand the relationship a little bit better and not over burden staff. The objective is very specific about shaping the launch; it doesn't say that the objectives will be met after the launch.

Mr. Brown: The relationship we see is a C Capital investment in anticipation as a one time as described in the meeting packet. Nomenclature would be after the fact. The leadership of that organization who are responsible ultimately for managing the growth of the Santa Fe Network and our strategic investment both tourism and economic development is designed to help them take what they just launched. So there is no ongoing relationship.

Chair: I understand this and I am not necessarily opposed to this, question is who is Santa Fe Network, what is that.

Mr. Brown recommended the introduction of the members and asked the Chair and Committee members to follow the organizational document in the meeting packet.

Introduction:

Lee Zlotoff, one of the Founders and Board Members for the Non Profit Corporation, Santa Fe Network. That is who we are. Santa Fe Network grew out of discussions, initiatives from Santa Fe Film and Digital Commission and since the goal of that commission was not simply to talk about things but to do things, we decided one of the things we could do was launch our own network. We formed a non-profit corporation to do just that and have now launched that network and we are hoping to get support from the city and potential other funders, as Councilor Harris said, to prime the pump.

The Chair asked; how much experience do you have, is there a report to review on who is Sana Fe Network.

Mr. Zlotoff: Santa Fe Network is comprised of 5 individuals at this point. 3 board members and 2 officers. Mr. Zlotoff has a 40 year track record in the entertainment industry most notably as the creator of MacGyver, not alike Santa Fe has become a global brand which is one of the reasons I am confident that we can brand Santa Fe and do positive things both for the community and for the state as well.

Jim (last name) who is also a board member has a background in Investment Banking and Philanthropy and considerable political involvement in both the city and state. Anna Derrick who is the President, she has a background in film production, film acquisition and film distribution, all of which are vital elements for launching a network. She has been a resident of Santa Fe for 23 years. Mr. Zlotoff stated that he has lived in Santa Fe for 2 ½ years.

The Chair asked what are the operating costs?

Mr. Zlotoff: Our operating costs at this point are pretty much the \$2500 that were spent to get the network launched that came out of our own pockets.

The Chair asked staff if they have seen the operating costs and budget.

Mr. Zlotoff said that a detailed budget should be included in their meeting packet.

Councilor Harris said that unfortunately this is one of those things that he does not know where the disconnect occurs, but it is not included in the meeting packet. It was requested and delivered to Economic Development Advisory Committee but it was not sent to the Finance Committee.

Mr. Zlotoff said that there is an overview and a 2-year business plan which details not only projected costs but projected revenues, the goal is within 2 years, we want to be a sustaining organization.

The Chair asked who is going to manage this, is it going to be Randy Randal?

As stated in the past we don't want to start allocating FTEs because it becomes so successful it requires more manpower.

Mr. Brown said that Economic Development would take it on and noted that it has very low overhead.

The Chair indicated that he would prefer Randy Randall take it on, but this is the City Manager's job to decide.

Councilor Harris: It goes from here to Public Works and the request is to have the business plan, operating budget with details attached to the packet.

The Chair referred to language in support of, i.e., why are we being so limited. How will it be tracked, how will you assure that it happens, do they have the capacity to do this, are we confident that it will happen? It is part of that relationship that needs to be more detailed.

Councilor Ives: On that point, I presume before funds are expended or delivered by the city there would be a formal agreement that would be entered in to and that would be the place to capture the metrics. This is simply saying in the Amendment that Councilor Harris is proposing, it is designed to indicate that based upon discussions to date and the presentation before the Economic Development Advisory Committee that there has been funding identified which can be allocated towards these uses pending entering in to that contractual agreement that would handle those points.

Mr. Brown: Perfect summary, that is where we are in the process and any details will be documented and negotiated until there is an agreement. If we cannot agree than nothing will move forward.

Councilor Harris stated that he was waiting for an e-mail statement from Randy Randall on how he views the investment.

The Chair wants staff and Finance Committee to understand the relationship and understand what the expectations are.

Councilor Villarreal – It would have helped to have the information in the packet, the resolution doesn't have the correct title or caption.

Councilor Harris: My apologies, this was the same problem we had initially in Economic Development; this is all we had. We asked for the additional information, we got it and reviewed it.

The Chair commented to Councilor Harris comment, is it staff that did not get the information in or was the information not provided?

Councilor Harris stated that he did not know where the disconnect took place. The information was clearly available and he did not know why it did not get in the packet.

Mr. Brown stated that he did not know, the information does exist and he would find out where the disconnect took place.

The Finance Director will check to see which packet of material was submitted and why the information was not provided.

The Chair wants to be reassured that as long as it is not the organization that did not provide it and to find out if this was an internal oversight.

Mr. Brown said that staff is supportive and this was an internal mishap.

***Councilor Harris moved to approve the resolution as amended with potential changes to the text of the resolution as well as to include the change to the caption, second by Councilor Lindell, motion carried by unanimous voice vote.***

**Chair Dominguez added to include him as an "I" for now until it goes to City Council.**

**Councilor Ives: Will check with Public Works to assure the information includes the amended caption wording.**

Councilor Harris: Stated that he would provide the amended wording the following day of this meeting. He stated that this action was approved last Wednesday at the Economic Development Advisory committee.

#### DISCUSSION

##### 29. Presentation of draft 2019-2013 Infrastructure Capital Improvements Plan (ICIP)

Nick (staff) is looking for recommendation from the Finance Committee on the top 5 CIP projects. All of the items will go to DFA on September 1, 2017. It will not be necessary to rank any thing except the top 5. The spreadsheet listing the projects are not in any order other than the top 4 which were 4 from the top 5 last year. The one that moved out and we put back on, received funding for the Buckman Direct Division additional storage tank, the Governor swept it so it has been put project back on this list. The only difference is that this excludes the current FY. This list comes directly from the CIP list including those items that aren't funded. This starts in FY 18/19. There is still time to include additional items that a non-profit could bring forward.

Chair asked if this was approved at Public Works.

Nick: We did not ask for approval from Public Works, we just brought the timeline to their attention. This is coming to Finance as a draft and then back to Public Works next week and back to Finance Committee and Public Works for final approval. Details on how it would work, ask the committee to e-mail their top 5.

Chair asked Nick if he was looking for approval as he would like to have it vetted by Public Works before they make any changes.

Nick stated that he was not looking for approval at tonight's meeting and hoping that the committee would e-mail their top 5.

Councilor Harris agreed. He called Nick today to get clarification on the process. He remembered a directive from last year with Mr. Ike Pino where he said to be realistic to upset approximately \$250,000 as well as a directive to perhaps break it down by district. Nick is less attached to that approach and I think that is fine. In fact the award we did receive was over the \$250,000 from last year.

Nick confirmed that they had received \$800,000 before the Governor swept it.

The Chair said he has seen this list go through different reiterations, it is good to have debate about it, we have the water projects generally speaking as number 1, and just as long as it is on the list is that all that is needed. I agree that we need to have it vetted in Public Works.

Councilor Ives said with regards to district allocations, my understanding is that our recommendation is to state our legislative priorities in addition to the city recommendation is to identify what we would like to see potentially funded in our districts.

The Chair said they use to be very broad in general and then they wanted specifics and ranking.

**Finance Committee Direction** –Take it to Public Works to be vetted.

30. Request for review and approval for discussion of Debt Management Policy Recommendation.

Mr. Johnson: During the budget hearing we had a section on Debt Management Policy and at that time we did not have sufficient information. This represents the conclusion of our internal staff and consultant to update

the Debt Management Policy. We have spent a few months on this now researching some other policies, Mr. Fitch was able to review the city of Portland, Oregon policy which we initially began to model this after. Upon that we made sure it complied with State laws as well as the city ordinances and our current outstanding debt portfolio. We made some modifications to address and included are specific recommendations from staff including comments from committee members and governing body.

A few of the high level points, the 2<sup>nd</sup> paragraph talks about posture of this policy. The previous policy had little or almost no available tools to the governing body in regards to dead issuance and simultaneously didn't have limitations, no rhyme or reason it was referred to as "this is the way it has always been done." There was no reference to laws or statutes in our process of review in our financial body and also in Bond Counsel, in fact in some of these practices they wondered why the city had them as well. The goal being to maximize the possibility on constraints provided by law and also to address the current wording in our bond process, researching instruments that have not been discussed in debt policy. Those are some of the examples of trying to make this debt management policy easier to understand.

In Section 5 - Special Situations of Debt; these are tools that were available by law but rarely used. We have used IRBs to a limited experience in the past. We took that opportunity to highlight the special issuance of conduit issuance that are available, perhaps special assessment districts, public improvements districts. All of these are essentially the legal abilities of the city to issue conduit debt that does not pass through the normal capacity of the city. It allows for the city to work with a narrow focused group of constituents and businesses to address a specific problem. This is an attempt to provide a full breath of tools to address the very large 5-10 year CIP that we will be developing as well as the Economic Development and redevelopment issues that are being talked about. Staff would like to take this to the full governing body. This is the Finance Department first step under this leadership at gaining the public's confidence that we can responsibly manage our debt.

Councilor Ives: First of all, I know that you have been working on this for a number of months and it is delightful to have it here and to be able to try and move it forward. I appreciate the expansion of policies, and to include other multitude of debt options that are available to the city that perhaps have not been in our consciousness or our statement of policy. That is one of the most important things that this accomplishes to expand that portfolio that measures and can focus on those issues and comments throughout the city. I appreciate that as well. Even with the nature of the changes, I would like to look at a redline if it exists. Adam will send the original to Councilor Ives.

The Chair asked to look at page 5: Lines and Letters of Credit, last sentence – this will be in support of projects contained in CIP Section I-F.

Staff: That would be on page 1 Comprehensive Financial or Capital Planning and Financing Approach, referring back to page 1-F.

Chair: So the CIP is intended to capture all of that so we don't need to define CIP?

Councilor Harris: General note, it seems to me that the language, this is an important document and where it says City Council it may be more appropriate to say Governing Body, that is who we are under the charter. This is an important document. Page 12 – language derivative (page 10 of policy), if you look at Spectrum of risk, instruments that are described, traditional and non-traditional, I would like to know where these instruments fall within that spectrum. I know nothing about some of the new categories, tax and revenue anticipation notes. We have all these tools in our tool belt, but when and how do we want to use them.

Mr. Thompson: Regarding anticipation notes, the risk will always be reflected in the rate we receive or the interest rate we are paying. We would be looking on those specifics on the project to be issues whatever the anticipation is. Anticipation notes are simply gap-financing tools, they allow the governing body to issue for short-term debt to begin a project and is essentially paid off by the issuance of \_\_\_\_\_. We are making sure to encompass everything that is comparable.

Councilor Harris again referred to Page 12 – language derivative (page 10 of policy) last statement before the review and renewal.

Mr. Thompson: We are simply making sure that we use what is available, currently swaps are not available; it was something that was used commonly to the lead up to recessions. When used irresponsibly, it can lead to significant problems. We air on the side of flexibility.

Councilor Harris said he was interested in the advice and counsel we get from the Finance Department, what are the risks associated for derivatives vs general obligation bonds. There is a big difference there, it seems to me. That is what I am trying to get at. I know it is a longer way and would ask that you keep that in mind.

Staff: Derivatives were in the last policy.

Councilor Harris: My last question has to do with the special situation debt issuance. As you develop this debt policy, does any of this proposed debt management policy, does that provide relief to the debt that we are carrying.

Mr. Thompson: There is a possibility that you could develop a special assessment district in which the incremental increase could potentially be pledged for the refunding if that took place so you would remove bonds and issue new refunding bonds that could be a new pledge a special assessment for business district. That question is certainly more complicated and would require a significant analysis from bond counsel. There are also more tools that are probably more straightforward to provide that relief. If that opportunity arose there might be other opportunities.

Staff: One of the IRBs that the city has issued was for St. Johns College for the building of the dormitory. It would be a tool that if there was a partner found for Santa Fe University that an IRB could possibly work out with whoever would be in that new position. There are tools in here that could be potentially used.

Councilor Harris: Could be used, whether or not the city would change their financing or not. It wouldn't be essential if you did an IRB.

***Councilor Ives moved to approve review and approval for discussion of Debt Management Policy Recommendation, second by Councilor Lindell, motion carried by unanimous voice vote.***

#### **MATTERS FROM STAFF**

NONE

#### **MATTERS FROM THE COMMITTEE**

Councilor Ives: Resolution adopting the 2019-2023 Infrastructure Capital Improvement Plan. It is slated to go to Public works, Finance Committee and City Council in time for the September 1, 2017 submittal to the state.

Councilor Villarreal: Checking in to see where we are with the hiring of the facilitator.

Mr. Thompson: We have been in contact with a potential facilitator who would be working with the group, but not confirmed. Also connected with the Chairman of the Task Force related to that same person and cannot confirm if they have had their conversation.

Councilor Villarreal asked if the Chair of the Task Force would reach out to let the person know if they were selected and to remind that the plan is to have the first meeting on August 1, 2017.

Mr. Thompson concurred that is what their goal is as well and are working diligently to comply with the resolution as to the facilitator.

**EXECUTIVE SESSION**

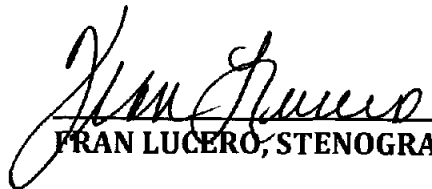
N/A

**ADJOURN**

There being no further business to come before the Finance Committee, the meeting was adjourned by the Chair at 8:30 pm

**SIGNATURE PAGE:**

  
CARMICHAEL DOMINGUEZ, CHAIR

  
FRAN LUCERO, STENOGRAPHER